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NEWS SUMMARY

GENERAL

Turkey quake toll rises to 1,700

At least 1,700 people died in the earthquake which devastated part of eastern Turkey over the week-end.

Centre of the catastrophe was Lice, a town of 8,000 people perched on a scrubby hillside in a mainly Kurdish area. Buildings lay in piles of rubble and hundreds of houses were reduced to shells.

Landslides triggered by the quake were feared to have flattened three villages north of the main disaster zone.

One report said 50 people died while praying in a mosque which collapsed. Yesterday surviving Moslems observed Ramadan in the open.

Relief squads ferried the injured to overflowing hospitals in the area as survivors, fearing fresh quakes, huddled together in emergency tents.

Amin alerts border troops

As President Amin prepared to begin a three-day unofficial visit to Italy to-day—including an expected meeting with the Pope—Uganda yesterday put its Tanzania border troops on the alert. The move followed a Kampala announcement that the Tanzanian army had killed a civilian Ugandan seized along the border.

Kenya yesterday accused Tanzania of working towards a break-up of the East African community.

ANC move to drop Muzorewa

In an apparent move against Bishop Muzorewa's presidency of Rhodesia's African National Council a council majority yesterday voted to hold a full national congress on September 28-29. The congress would be empowered to elect a new president. Page 5

14 killed in Lebanon clashes

Fourteen people were killed and many more wounded in Lebanon's northern town of Tripoli yesterday in further clashes between rival factions. The extent of the fighting evoked fears of recurrence of the national strife earlier this summer. Page 5

Navratilova to stay in U.S.

The U.S. has granted asylum to 18-year-old Martina Navratilova of Czechoslovakia who is the third best tennis player in the women's game. Miss Navratilova said tennis not politics was her motive. U.S. championships, Page 7

Protestants stop bishop's sermon

Protestant demonstrators last night prevented Bishop Daly, Roman Catholic Bishop of Londonderry, from preaching in Edinburgh's St. Giles Cathedral. Bishop Daly would have been the first Roman Catholic bishop to preach in St. Giles since the Reformation.

Lauda's Laurels

Niki Lauda, in a Ferrari, became motor racing world champion after finishing third in the Italian Grand Prix at Monza. The winner was Clay Regazzoni in another Ferrari.

Silver for Anne

Lucinda Prior-Palmer yesterday won the Gold and Princess Anne the Silver Medal for Britain at the European three-day event championships in West Germany. Page 2

Briefly . . .

Writer II, France, and Great Britain II continue to lead in the FT Clipper Race. Page 2

Rare Queen Elizabeth I gold sovereign valued at £2,000 has been acquired by Stanley Gibbons.

Hampshire won the John Player Cricket League, beating Derbyshire by 70 runs at Darley Dale. Page 20

BUSINESS

Concern at IMF over developing countries

● IMF annual meeting in Washington broke up amid fears that the worsening financial plight of the developing countries could undermine next year's hoped-for recovery in world trade and deepen the global recession.

Member Governments will now consider Dr. Kissinger's plan for a vastly increased facility for helping commodity producers to cover shortfalls in their export earnings. The producers, however, want the prices of their commodities indexed to the prices of goods manufactured by the rich countries—a demand the West Europeans feel will prevent agreement by the end of this week on an agenda for international economic reform. Back Page

● BRITISH LEYLAND redundancy warnings have soured the atmosphere for to-day's union-management talks on worker participation and could delay agreement. Back Page. In Lancashire, the group's five truck and bus plants could close indefinitely if workers carry out their threat to strike next Monday. Page 7. U.K. foundry companies, eager to make use of the Government's modernisation aid scheme, have asked BL for talks on its development plans, which they believe will vitally affect them. Page 4.

Oil platform yards begin big drive for labour

● NORTH SEA oil platform construction yards in Scotland are beginning a big call-up of labour. The three main yards in the Highlands are to boost employment by 1,650 jobs to 4,950 in preparation for the 1977 float-out of platforms for the Ninian and Heather fields. Back Page. In the Middle East, oil production was down 14 per cent in the first six months of this year compared with the 1974 first-half. Page 5.

● DRYPOOL, ship-building group, based in Yorkshire, has appointed a receiver following the failure of a rescue plan by some of its customers. Efforts to save the company and the 2,200 jobs at risk will continue. Back Page.

● AEROSPACE Minister, Lord Beswick is to tour the U.S. aerospace industry from September 24, beginning with Boeing and visiting Lockheed and possibly McDonnell Douglas. Page 25

● MR. HUGH SCANLON, president of the AUEW, has backed Communist Mr. Jimmy Reid for the Scottish and North-West seat on the union's executive vacated by Right-winger Mr. John Boyd. Page 7

Italian trade surplus in July first in 3 years

● ITALY was marginally in surplus on its foreign trade in July, for the first month in over three years. The seven-month deficit this year has now been cut by 75 per cent. compared with 1974, but mainly because of a big drop in imports—reflected in the 12.2 per cent. first-half fall in industrial production. Page 5

● ANTHRACITE is being imported from Vietnam because delays by planning authorities have held up home production, the NCB says. Page 4

● DAMAGES and costs awarded against doctors in Britain in 1974 were up 37 per cent. on the previous year. Page 21

COMPANIES

● ACROW (ENGINEERS) is now positioned for its most significant growth phase, chairman Mr. W. A. de Vigier says in his annual statement. Page 20

FEATURES

Crucial engineers' talks this week

Public Employees accept £6 pay guidelines limit

BY ROY ROGERS

A boost for the Government's anti-inflation pay policy came over the week-end when the National Union of Public Employees, the fifth largest TUC union, reluctantly fell into line with the £6 limit on wage increases agreed by the annual Trades Union Congress.

Although this decision will affect pay negotiations later this month covering more than 1m. local Government manual workers—where all the unions will now press for the full £6—the future of the policy is more likely to be affected by the attitude of Amalgamated Union of Engineering Workers leaders who meet later this week.

The country's second largest union, the 1.42m.-member AUEW will have to decide whether to reverse its opposition to the policy in the light of the Congress decision or, if it sticks to its opposition role, how this should be carried out.

With moderates favouring acceptance of the TUC line, and some Left-wingers suggesting selective strike action against the policy, it seems unlikely that any clear-cut decision will emerge from the AUEW executive.

The most likely outcome is recall of the union's policy-making national conference, which set the AUEW against any form of incomes policy at its annual meeting in June. Otherwise, the AUEW might well give tacit approval to the policy by maintaining low-key opposition, and supporting industrial action aimed at breaching the £6 limit only where workers have shown great militancy and have a good chance of success.

Before then, however, the three unions representing local authority manual workers meet to-morrow to finalise their claim. NUPE's week-end decision means that all three have now come out behind the policy but stressed that they will not accept a penny less than the £6 which the Government sees as a maximum but the TUC feels should be an entitlement.

NUPE national officer Mr. Bernard Dix said last night that the union's economic committee had reviewed the situation in the light of the Congress decision and last week's Government advice to local authorities on how to meet the spending cuts being demanded.

It had been decided to press for the full £6 and to take "a very strong line" on job security, he added.

The other unions, the General and Municipal Workers Union and the Transport and General Workers Union, have already made it clear that they wanted the full £6 and this was underlined yesterday by Mr. Charles Donnet, GMWU national officer and secretary of the union negotiators, who warned that industrial action, probably in the form of selective strikes, would be "inevitable" if the claim was not met.

The local authority pay situation looks like being very straightforward with the Government, through its rate support grants, having the final say as to whether or not there will be a £6 deal or a confrontation.

He did not think it would come to that, however, and felt confident that the Government, while urging local authorities to prune spending, would not stand in the way of a peaceful settlement.

In engineering, however, where two-tier bargaining covers some 2.5m. workers, the situation is far more complicated. Even if the AUEW, which dominates the industry, decides to fall in line with the Government pay policy there remains the issue of how the second and third stages of a long-term

Continued on Back Page

Strike threat Page 7

Buckley to quit Slater Walker

BY MARGARET REID

MR. TONY BUCKLEY is leaving Slater Walker Securities, the financial group where he has been the principal lieutenant to the chairman, Mr. Jim Slater, for the past five years.

He is the third director to move out in little more than a year. In the summer of last year Mr. R. W. Rowe, deputy managing director, left as did Mr. Richard Tarling. Both had had responsibilities for the diminishing overseas operations.

Confirming that he would give up his roles both as managing director and a director at the end of this month, Mr. Buckley, who is 41, said yesterday: "The news is slightly premature as my plans are not yet finalised but I will be leaving."

He added that he would be remaining in the City "in the investment field but in a smaller context. I will be setting up my own operation."

Behind the move is the substantial contraction in the size of Slater Walker's business since the secondary banking crisis began in the City in late 1973. During the 15 months from the beginning of 1974 the group followed a rapid defensive policy of switching its assets into cash and sold off £140m. of shareholdings, businesses and property.

'Top heavy'

"With recent reductions there is not a job for Jim and myself," said Mr. Buckley. "The group is considerably smaller than it was three years ago; the policy of retrenchment is something that has been right for the company." But it left a situation which was "a little top heavy in management terms."

Mr. Buckley, who is a lawyer and accountant, joined Slater Walker in 1966 and became its secretary shortly afterwards, taking over as managing director in 1970. He added: "One has been there a number of years and one feels perhaps it is time to do something else."

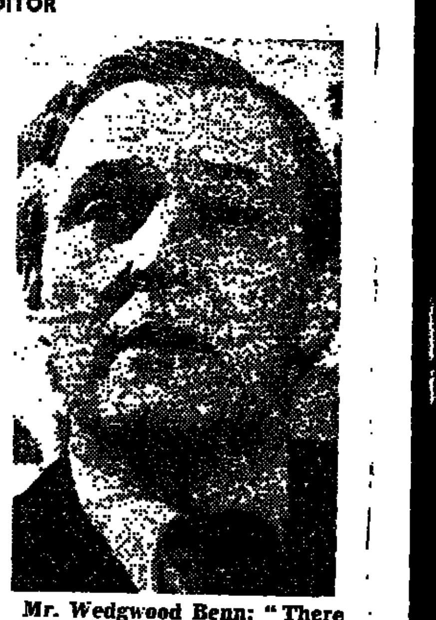
He had been thinking of setting up on his own some two years ago but then there had been the change in world conditions. "The world is calmer now and it is a natural thing for me to do. There is certainly no sinister motive: it is all very amicable, nothing contentious."

Asked at whose initiative he was leaving, he said: "It is my motivation. It is natural and I am ready to go." Compensation for loss of office was not in question.

Slater, Walker lost another Board member when Mr. John Ford, finance director, died during a visit to Belgium.

Benn sets out his manifesto of the Left

BY JOHN BOURNE, LOBBY EDITOR



Mr. Wedgwood Benn: "There will be no split."

MR. ANTHONY Wedgwood Benn, Secretary for Energy, yesterday set out his stall as unofficial leader of the Left in a 6,000-word open letter to his constituents. This was 23 days before the annual Labour Party conference at Blackpool elects its National Executive Committee—a season which, according to one of the Prime Minister's supporters, is marked by Labour politicians having "a rush of NEC votes to the head."

The letter is an unrepentant defence of his Industry Bill and the proposed National Enterprise Board which he designed before he was dropped by Mr. Wilson as Secretary for Industry — for being too "Left" in his presentation, it is thought.

Mr. Wedgwood Benn's main theme is that Britain has again entered a "long, deep and serious slump to which no clear end is in sight," and that the country needs Labour's major programme of social and industrial reform to cure the crisis following the failure of the traditional economic and industrial system to do so.

Against cuts

"Persistent unemployment at its present levels or higher—just as much as inflation—could spell the destruction of the Labour Government," says Mr. Benn. "We must not let this happen."

Following last week's calls by the Department of the Environment for reductions in the standards of some local services, including education, tighter control over staffing ratios, and further increases in bus and Underground fares, Mr. Benn appears to align himself with the opponents of public service expenditure cuts.

"We have also got to defend essential public expenditure which corrects some at least of the present inequalities in the distribution of wealth," says his letter. "These are the benefits and services—the social wage—which the British people must have . . . democratic local government services are still inadequate, when set against housing, educational and social needs."

Mr. Benn defends the right of Labour members to criticise the Government, but adds that neither criticism nor new policy initiatives should be interpreted as meaning that the party is about to split. "It will not split."

Although careful not to criticise directly the Government's policies, his letter implies that next month's party conference must ensure that the Government not only carries out its election manifesto fully but also undertakes "new policies."

One new draft policy document is to be discussed to-night by the Executive Home Policy Committee, of which Mr. Benn is chairman. It will be presented to the annual conference if approved by the full executive.

The document makes rigorous proposals for State control of one major company in each sector of industry, and for more State involvement in banking and investment. The Prime Minister and the Chancellor of the Exchequer are expected to counsel caution about such proposals at the moment—proposals which carry undertones of the defeated attempt by Mr. Benn and the Left two years ago to persuade the party to include nationalisation of the top 25 companies in its election manifesto.

Mr. Benn's letter to his constituents covers the whole arena of the Left-Right controversy about the Government's economic and industrial policies. Although not commenting adversely on the Government's anti-inflation policy, Mr. Benn says that although inflation is unacceptably high, "unemployment is now becoming the most important issue.

"Our manifesto pledged us to full employment and contained policies to help us to get it. The British people will probably judge this Government more by our success in cutting back the number of jobless than by any other single issue." This statement contrasts with the Prime Minister's remarks before Parliament rose that the Government's first manifesto priority was the battle against inflation.

The letter says the Government must use the economic crisis "as the occasion for fundamental change and not the excuse for postponing it." The cost of past failures must in any

Continued on Back Page

Prentice comeback fight. Page 4; Mrs. Thatcher's warning, Page 25

New Lisbon Cabinet may include Socialist Party

BY JANE BERGEROL LISBON, Sept. 7.

FOLLOWING YESTERDAY'S resignation of the Communist-dominated fifth provisional Government, consultations for a new coalition of Socialists, Popular Democrats and Communists under Admiral Pinheiro de Azevedo are expected to end in a more representative national Government this week.

The Socialist Party is studying the new Prime Minister's policy programme. It is increasing pressure for the return of the Socialist newspaper Republica to its former editor, and of the Catholic radio station to the Church. This would spell the end of illegal workers' occupation of both the paper and Radio Renascença, and a victory for both Socialists and Popular Democrats.

Meanwhile the workers' committee on the official Export Promotion Board issued a warning to-day about Communist Party efforts to increase Portugal's dependence on trade with the Soviet Union and Eastern Europe.

They revealed an attempt by the Communist Party to place a former aide of Dr. Alvaro Cunhal, the Communist leader, in a specially created job on the Board to increase Portuguese exports to the Soviet bloc. They denounce the scheme as "an attempt to give the Soviet Union domination over our external trade." The workers also issued statistics showing the dramatically increased trade deficit with Russia over the 16 months since the revolution. According to their figures Portugal had a trade surplus with Russia in 1973 of about £100,000. By the period from January to April of this year she had a deficit of £2.8m.

The committee members claim that the committee was faced with a recommendation to accept the nomination of the Communist Party member "because of the political pressures the candidate could use to increase trading with the Eastern countries." Their communique continues: "This attitude must be exposed, the more so because the control of external trade is one of the principal ways in which a super-Power obtains domination over our economy and thus over the Portuguese people."

Following the end of pro-Communist Gen. Vasco Gonçalves' Government, his ousting as Chief of Staff of the Services and the eviction of three other pro-Communist officers from the Revolutionary Council last Friday, such Communist Party manoeuvres are likely to be extremely difficult to carry through.

The "Group of Nine" dissenting officers round whom anti-Communist defensive action in the armed forces has crystallised now appear in a strong position. Brigadier Franco Charais, a member of the group, commander of the Central Military Region and perhaps the strongest army officer in terms of "loyal guns" in Portugal to-day, said the bringing back of Majors Melo Antunes and Vitor Alves, both leaders of the group, on to the Revolutionary Council alongside him and five other members of the group was "a merely technical problem."

He suggested there would be no problems in securing a majority vote in their favour at the first meeting of the remodelled Revolutionary Council.

For Portugal, the strength of the Group of Nine will help shift the Armed Forces Movement towards a softer revolutionary line, though whether Socialists and Popular Democrats will have all their conditions for participating in Government again completely fulfilled is still an open question.

Fresh Ulster initiatives sought

BY GILES MERRITT IN BELFAST

ATTENTION HAS focused once again on Ulster's search for a political settlement following the week-end's unexpected lull in violence.

Instead of the retaliations against the Catholic community that had been threatened by Protestant para-military groups like the UVF following last week's spate of Republican terrorism, the RUC reported relatively minor incidents during a "fairly normal" week-end.

The two most serious were an attempted assassination in Belfast's Ormeau Road and the bombing of a Catholic home in the north of the city.

The comparative calm, which, true to Northern Ireland form, has confounded dire predictions of a week-end outbreak of violence is closely tied to yesterday's surprise political developments.

At an emergency four-hour meeting of the Loyalist "umbrella" organisation, the Ulster Loyalist Centre Co-ordinating Committee, the para-military UDA urged the continuation of the vital inter-party talks between the United Ulster Unionist Coalition and the Catholic SDLP.

Until the ULCCC issued its terse statement yesterday that: "We wish the elected representatives to continue with the dialogue," it had seemed that after four weeks of negotiations, the talks faced imminent collapse.

The declaration of Mr. Merlyn Rees, Northern Ireland Secretary, on Friday evening emphasising that there was to be no change in his security policies, and the response of the Rev. Ian Paisley, Democratic Unionist leader, that he intended to move the indefinite adjournment of the Convention, had previously seemed to herald the end of any political solution.

The Rev. Ian Paisley . . . Convention walk-out threat

At tomorrow's meeting between the heads of the United Ulster Unionist Coalition, it was believed that Mr. Paisley would have little difficulty persuading his partners in the Official Unionists and the Vanguard Party to join a boycott of the Convention.

Now, because of the ULCCC mandate, they will no doubt reject his walk-out scheme and return to the negotiating table.

Until Mr. Paisley's move, which was made without consulting either Mr. William Craig, Vanguard leader, or Mr. Harry West of the Official Unionists, there had been encouraging signs of a possible break-through at the inter-party talks.

With the rising tide of sectarian violence and the pressing need to find an agenda for the 78-seat Convention's plenary session on September 11, it was thought that UUUC and SDLP negotiators had shelved their aim of a long-term constitutional solution and were instead concentrating on a temporary "emergency Government."

While making it possible for the inter-party talks to continue, the "umbrella" co-ordinating committee made it plain that it was not urging a back-down on the security issue.

It called on all Loyalist politicians to maintain the past fortnight's heavy pressure on Mr. Rees to introduce tough new measures—notably the closure of the Provisional Sinn Fein incident centres and an end to detainee releases.

But by refusing to budge in the face of an intensive campaign that has ranged from Mr. Paisley's Convention-busting tactics to the threat of an Ulster Workers' Council general strike, Mr. Rees has successfully called the Loyalists' bluff that they would allow themselves to be held responsible for causing a civil war.

Deadly game of brinkmanship Page 19

Editorial comment Page 10

LOMBARD

Finding funds for investment

BY WILLIAM KEEGAN

ECONOMICS AND Government are much concerned with priorities, but one sometimes wonders by what criteria other than fashion the priorities among the priorities are chosen. At various times during the past ten years the public has been informed that the top economic priority is growth or the balance of payments or inflation or industrial investment or employment.

Too often these related items *are treated in isolation.* Too often the emphasis on one or two is so great that the importance of others seems to be forgotten completely. It is therefore with some admiration that one finds Mr. Walter Eltis, a British economist, trying in the latest issue of International Currency Review to bring all these diffuse and elusive targets into the same range.

Mr. Eltis starts by taking the topical subject of the Budget deficit, of which we were reminded at the end of last week by the news that central Government spending this year is growing some 12 percentage points faster than tax revenue. He argues that the structural imbalances in the British economy are so enormous that the correction of the deficit—which has become the *sine qua non* of many political and economic experts—would make the present level of over 1m. unemployed look relatively insignificant.

Capital stock

He maintains that the industrial base needed to restore the economy to a point where the Budget can be balanced at full employment levels is simply not there. Looking at simple Keynsian identities, "private investment (that is, in new industrial capital stock) remains much below private savings." There is insufficient investment in the private sector of the economy to make good the jobs that are lost as a result of technical progress.

But with the private sector squeezed by the inflationary spiral of rapidly growing public expenditure, union wage demands to redress (or more than redress) the balance, and years of price controls, industry is in no condition to invest on the scale required.

"This problem," Mr. Eltis says, "can only be overcome if firms are persuaded in some way or other to undertake an enormous amount of highly-risky borrowing; and both because most managements are naturally prudent, and because major changes in financial institutions would be needed, they would be unlikely to do so."

It will be seen that Mr. Eltis' examination of the scene has brought him to the point which everybody from Mr. Anthony Wedgwood Benn to the Bank of England has reached. Investment, investment, investment. We have experienced many attempts by various Governments to do something about industrial investment, sometimes with a variety of financial incentives, sometimes with admonitory and exhortatory speeches (Mr. Edward Heath's approach). But all the time the financial backing for what is usually described as the seed-corn of the economy has been getting weaker and weaker.

Meanwhile, new solutions are expressed more stridently all the time, with the left urging the compulsory direction of these private savings towards industrial investment, and the right becoming almost pathetic in their belief that the complete removal of all Government intervention—a forlorn hope—would somehow allow business to get on with the job.

Mr. Eltis' contribution is consciously directed at the new leadership of the Conservative Party. He tells them that although a policy designed to balance the Budget without massive unemployment "will require a great and fully maintained increase in private sector investment" the difficulty is "that private sector investment will not grow to the extent needed by itself."

All right. This is a view shared on the Left. But whereas some would have the help channelled via bodies like the National Enterprise Board—to places where funds can do "most good"—Mr. Eltis is one of those who believe the track record of the civil service is not so hot in socially - desirable investment appraisal.

What he proposes is "a broad, blanket investment subsidy" to the private sector of the economy, via cheap loans without strings, made on a one for one basis alongside the investment of a company's own money in a project.

Wait a minute, though. Where will all this extra Government money be coming from? The Budget deficit? The borrowing requirement? Isn't this where we came in?

Well, you cannot have everything. Mr. Eltis hopes that the subsidies "would not need to be permanent," because once the private-sector's capital stock had grown to provide enough jobs, industrial profits would be sufficient to allow this state of affairs to continue. It's all a question of balance.

THE WEEK IN THE COURTS

Test case highlights need for bail system reform

BY JUSTINIAN

WISDEN WILL not be the one principal repository of the record of the recent Test series between England and Australia. As a result of the unprecedented disruption of the Third Test at Headingley last month the law has stepped in.

Last week a High Court judge declined to grant bail to three of the accused, charged with conspiracy to damage the pitch. The refusal of the courts to give these people their liberty pending their trial may be partly responsible for the reform of the bail system. A major sporting event will have found its way into the law books.

Long before Mr. John Stonehouse complained that the bail system was an "ugly charade," voices from many quarters had been raised against the practice of unconvicted persons having to languish in gaol.

While the percentage of those released on bail has risen in recent years—in 1974 it rose to 85 *per cent.*—this has not led to a reduction in the average daily population of untried prisoners. This is because the total number of accused has risen by an even greater proportion.

The problem has become so acute that the Government proposes legislation during the coming session of Parliament, based primarily on the recommendations of the Home Office Working Party on Bail Procedure in Magistrates' Courts.

A major problem is that magistrates face the issue of bail lacking the requisite information about the accused. They naturally tend to accept the police view that the prisoner should remain in custody unless they can be persuaded to the contrary.

New hostels

There is at the outset a great need to improve the procedure before magistrates so as to keep bail in the forefront of the court's mind. The availability of bail hostels would be one way of achieving that. The first experimental hostel, Field Wing at the Salvation Army Hostel in Whitechapel has just been the subject of review by the Home Office Research Unit.

The research has disclosed a limited success in keeping out of prison some (mostly young) defendants who might otherwise have been remanded in custody. Its useful pioneering function has been stunted by the excessively restrictive rules about those the hostel would accept and the conditions under which they may stay in the hostel.

The traditional attitudes of the Salvation Army seem to persist (George Orwell described the Salvation Army hostels in the inter-war years as clean and tidy, but containing restrictions which "stink of prison and charity"). Stripped of unnecessary restrictions, however, bail hostels may yet serve to reduce the population of untried prisoners in our prisons.

Another experiment may serve to reduce the numbers held in custody pending trial. At one London magistrates' court information about accused persons is gathered by an interview of the *accused before* appearing on the first bail application.

The information is directed mainly towards establishing the social roots of the accused (and hence the likelihood that he will answer to his bail when required to stand trial). The experiment has demonstrated that the techniques employed are viable, and the Home Secretary has indicated that he will shortly be issuing a circular recommending courts to consider how far they can follow suit.

The promised legislation will *further emphasise* the presumption of the accused's right to bail. Other devices for tackling the problem, recommended by the Home Office Working Party, will be included in the Bill.

Stonehouse

There is one other reform, prompted by the case of Mr. John Stonehouse and alluded to in the current issue of the New Law Journal. A prisoner's freedom can often be obtained only at a price, the price being his ability to provide sureties. The amounts imposed by way of sureties sometimes are very substantial, running into tens of thousands of pounds.

The requirement of providing sureties favours the well-connected and the affluent. And, moreover, it is dependent upon the sureties being acceptable to the police. Mr. Stonehouse is reported to have come close to losing the chance of buying his way out of Brixton Prison because one of his sureties was unacceptable to the police.

This aspect of police influence on the bail system attracted the criticism of the working party. It said that the practice of granting bail subject to the availability of sureties being acceptable to the police was "undesirable and should be discontinued."

That criticism acknowledges that at present the police alone are in a position to investigate the credentials of proposed sureties. Are sureties a necessary feature of a sound bail system? Could they not be abolished altogether? The editorial in the New Law Journal strongly advocates abolition.

The Home Office Working Party called for the abolition of the personal recognisance of the bailed accused, on the grounds that it was ineffective as a safeguard against absconding and it operated unfairly against the less well-off accused. Both grounds of objection apply to the surety system generally.

The granting of bail is bound to involve the taking of calculated risks about the accused turning up for his trial. It is not enhanced by the bailed person having the accused's ability to put forward to the court relatives or *friends* who would be in a position to pay a forfeited sum of money (sometimes a very large sum) if he did not appear to stand trial.

Forfeiture

Historically, bail was not regarded as setting an accused free, but as transferring him from the custody of the jailer to the custody of sureties. If they defaulted on delivering him for trial they automatically forfeited the sum secured by the bond, and it was enforced as a fine.

But forfeiture is no longer automatic. Only if the surety is wanting in due diligence in securing the bailed accused's appearance will be forfeit some, or the whole of the sum. By the last century bail was being increasingly granted without sureties. To-day about 40 per cent. of the cases are bailed with sureties.

The notion underlying the use of sureties was thus the release of the person into the custody of the sureties. This notion is entirely inapt in present-day conditions. Many sureties do not even live within measureable distance of the bailed person's residence, and are in any event quite unable to do more than persuade and cajole the bailed person to answer to his bail, even assuming that he knows of an intention to abscond.

The problem is exacerbated by the fact that those who might be most effective sureties are debarred from acceptance by their financial status. A clergyman worth £100 might well be preferable to a person of dubious character who could produce £1,000. Yet an impoverished clergyman and other "responsible persons" of limited means are debarred from acting as sureties by the kinds of sums the courts demand.

The only merit of the present system is that the courts considering whether to grant bail benefit by an independent assessment by a responsible person of the bailed accused's reliability. But that advantage is outweighed by a system that is largely ineffective to prevent absconding and discriminates in favour of the better-off and of those with contacts who have substantial financial resources.

CRICKET — BY TREVOR BAI

Lancashire's low-gear w

LANCASHIRE BEAT Middlesex by seven wickets with three overs remaining in the Gillette Cup final at Lord's on Saturday. They looked much the better side throughout and won in their own time, at their own pace, without having to shift into top gear.

From the moment when Middlesex, put in to bat (which a 10.30 start made a reasonable tactical ploy), crashed from 25—0 to 33—3 it was difficult to imagine any other result.

Although Middlesex rallied in the afternoon and reached the respectability of 180, itself something of an achievement after being 64—4 at lunch, it was not *nearly enough*. Par for the course on the day was about 215.

One felt that Lancashire could have hit the target in 40 overs had it been necessary, and that their main danger was not so much the opposing bowlers, but that in an effort to make absolutely sure, they would go too slowly in the early stages.

They possessed a very strong and experienced batting line-up, and even had Clive Lloyd been caught for 11 they still should have won without undue difficulty. The two Lloyds cruised comfortably home, and in the closing stages unleashed many fine attacking strokes.

This defeat means Middlesex have lost two finals this summer. Though this may be disappointing for their supporters, considering their resources they have done extremely well to have been there in the first place.

For their captain, Mike Brearley, it represents a considerable achievement. He has taken them to Lords twice, despite having an attack consisting of three rather ordinary seamers—Price was unavailable because of injury—none of whom would gain a place in the Lancashire XI, and two class spinners. At least half the counties must have batting as strong, if not stronger.

Smith and Brearly began well and there were hopes that they would be able to lay the foundations for the type of total needed to test Lancashire, but Lever and Lee, who both bowled very well, ripped the heart out of their main batting.

When this pair were rested after an hour the Middlesex innings was in ruins. Gomes, Barlow, Edmonds and Murray, making his last appearance for the team he has served so well and so long, did their best to retrieve the situation, but it was never quite enough.

Brearley, with insuffic at his disposal, switc bowlers intelligently unsuccessful bid to opposition. Titmus agai strated how a spinner both effective and econ limited-over cricket, an was very tidy. Their fi had been Lancashir brilliant. This was the of a match which was excitement because of inevitability of the res early on.

Kennedy, in a sbe role, contributed a unspectacular 50, and Cl brought flair and pedigr scene with his 73 not *looked at least one cla* than anyone on eit which, of course he is.

The extent of his ma reflected in the way the sex were prepared to g a single in the closin to keep him away f bowling, although his David Lloyd, a membe England team in Aust winter, was batting w West Indian captain w ally, made Man of th which his adopted co with the ease th suggested.

Middlesex 180—8, L 182—3.

GOLF — BY BEN WRI

A crowning week for Pollan

AFTER MONTHS of agonised doubts about his future in professional golf—or at times the possible lack of it—28-year-old Ulsterman Eddie Polland (Balmoral) completed the most successful week of his short but eventful career at Sun Alliance Match Play championship at Lindrick Golf Club when he won at the 23rd hole in the scheduled 18-hole final against 43-year-old Birmingham professional Peter Butler.

Ironically both men were deposed from the Great Britain and Ireland Ryder Cup team, having played in the Muirfield match in 1973. On that occasion Polland was restricted to two unhappy defeats by migraine attacks, and Butler's only consolation for three defeats was a historic hole in one. But one feels the transparent courage of both men would have come in mighty useful next week in Pennsylvania.

On Monday last, Polland won £1,000 in a Pro-Am at Clandeboye, and then £3,500 at Lindrick. Yet for the first five months of this year a mysterious left wrist injury kept him out of the game, and threatened prematurely to end his career.

A similarly painful injury dogged the recent career of American Doug Sanders until he underwent surgery.

Thankfully, Polland's injury responded best to the enforced rest. But as soon as the plaster was removed Balmoral's veteran professional Fred Daly recalls that Polland roamed the course letting any member he could interest in chipping and putting competitions from 30 yards in.

In their desperately close-fought but delightfully sporting final Polland was never again behind after squaring the match at the par-3 third hole with a 10-yard putt for a two. One up at the turn, Polland was bun-

Tennis Page 7

kered from the tee at the 555-yard 14th hole. And although Butler bunkered his second shot a par 5 was good enough to win him the hole to square the match again. There followed eight successive halved holes, perhaps the most exciting being the 18th.

A par-3 hole may not be ideally the best finish, but Lindrick's 206-yard 18th is a formidable test of the accurate long iron play at which Polland excels. On Saturday he used his driver only three times in 41 holes—a fair test of any injured wrist—and in the final repeated under pressure the magnificent stroke that had won him his semi-final against Ronnie *Shade before* the heart of the gr nervously failing to com back swing. Shade pulle shot short of the spin wide of the bunkers, the green with his reco bowed out.

Butler was bunkere right of the 18th gree final, but played a recovery less than two the hole to go to extra narrowly missed the chances either man set after before the 433-y hole. Here Butler unde with his second shot iron and disturbed by controlled and noisy nearby, the veteran tired, woefully short ch the match to Polland's

But Butler had a mighty hard week, havi four seeded players to final, South Africa Balocchi, Ryder Cup Norman Wood of Scot Eamonn Darcy of Ir Friday, and lastly anoth African, Dale Hayes at hole on Saturday morni

Butler had really ea consolation prize of £2 Hayes (£1,250) won the for third place from (£1,000) by 3 and 2.

RUGBY UNION BY STUART ALEXANDER

Triumph for Melrose

SCOTTISH champions, Melrose, won the Harlequin seven-a-side rugby tournament at the Stoop Memorial ground, Twickenham, yesterday. They beat Bridgend, the Welsh sevens champions, by 20 points to six in a hard-fought final on a bone-crunching ground.

After the first half of 10 minutes Bridgend led by one *goal to nothing in a match* more in keeping with a tough 15-a-side game.

Early in the second half Robertson broke away for Melrose, to run 50 yards and score between the posts. Wood converted to level scores

Robertson again emerged unchallenged from some broken play to run a second try beneath the posts. Again Wood converted. From the restart, Smith caught the kick-off and passed inside to Dodds, who sprinted away to give Melrose their third try.

Two minutes' later, Wood pounced on a loose ball near the Bridgend line to dive over and complete the rout of the Welsh champions.

Bridgend qualified for the final by winning their group, scoring six tries to beat Blackheath 28-16 in the process. This gave them 13 tries from three matches and squeezed out Harlequins, who had the same number of match points, but one try fewer.

Paris University achieved a surprise win over Bridgend in their first game, but blew up, and were beaten easily by Harlequins and Blackheath.

The second pool was the toughest, with all four teams producing fast, attractive rugby. Orrell also managed to score 12 tries, with some good handling and attacking play.

Cambridge University, who had borrowed Oxford captain Charles Kent "to make up the numbers," gave exciting displays against Rosslyn Park and Melrose, but went down twice to Melrose and Orrell.

Gold and Silver for U.K. riders

LUCINDA PRIOR-PALMER won the Gold Medal and Princess Anne the Silver Medal for Britain at the European Three-Day Event championships in Luhmuhlen, W. Germany, yesterday. The Soviet Union took the team title, with Britain second.

FT CLIPPER R

Kriter takes coastal rout

By Alec Beilby

A DIFFERENCE of opir which course to take has Kriter II and its French within 100 miles of Vincent, the south west tory of Portugal, whil Britain II has stayed the Atlantic and is miles west of the Frenc

The two yachts, which ing in the Financial Tin per race, are both ab miles from Madeira whe lems caused by tropi trade winds are likely to

Each has covered mo 350 miles in the past 4 while the Italians, astern in CS & RB, have m ground in the fresher the north and are ab miles behind the leaders

The Dutch crew of Escape, who were making distance lost by their Plymouth last week, has *reported by radio within* 24 hours but are estima be off the north west of Spain.

	POSITION
Kriter II	37
(07.00 Sunday)	11
GB II	39
(09.00 Sunday)	14
CS & RB II	41
(10.00 Sunday)	13

RACING — BY DOMINIC WIG

Vespucci is day's best bet

IT SEEMS significant that Lester Piggott has been attracted to Windsor this afternoon. The top jockey, who achieved a remarkable feat in winning five races from as many rides at the Curragh on Saturday, rarely bothers to go to the smaller English courses now.

His two best prospects on the popular Berks track appear to be Jeremy Tree's disappointing American-bred maiden *Vespucci* and *Refifi*, from Clive Brittain's Newmarket stable. I expect both to win.

Vespucci, a compact chestnut son of the fashionable American stallion Prince John, ran his best race to date when runner-up to the useful Prima Bella over two miles at Warwick in July. Vespucci kept on gamely inside the final quarter-mile, but finished 1½ lengths behind the winner, who led from start to finish.

Prima Bella paid a useful tribute to the form on her only subsequent appearance, when again making all the running to beat French Princess by a length in the Lysaght Challenge Cup at Pontefract on August 26.

If Vespucci can reproduce his running at Warwick, I believe he will prove too good for the recent Sandown winner Baroncroft in the Bracknell Plate (4.15).

Refifi, who goes for the Binfield Stakes half an hour later, was beaten only by the much-improved Ticklish when a half-length runner-up in the Virginia Handicap at Newcastle on August 24. He should be up to conceding 2 lb to Delarum this afternoon.

Looking ahead to the St. Leger on Saturday, speculation persists as to whom Piggott will be partnering in Britain's oldest classic. The [illegible] times champion jockey's name had been firmly fixed alongside King Pellinore in most racegoers' minds, bu or two normally astute have said that Piggott switch to Bruni, owned b close friend and business ciate, Mr. Charles St. Geor

King Pellinore may not defeated Hurry Harriet in manner expected of his Piggott when *scrambling* by a head at odds of 1-3 in Blandford Stakes at the Cu 10 days ago, but he has achieved a good deal mor Bruni on the racecourse, shall be more than surpri Piggott deserts him.

King Pellinore remains market leader with most makers. Bruni who rec broke Mill Reef's 1½-mile down track record in a canter, varies from 7-1 to the quoted by Playboy. leading prices are 100-30 Anchor, 6-1 Consol, 16-1 Rib and 25-1 Hunza Dancer.

Consol was generously at 10-1 by the Tote in the of last week, but is down with them. He seems likely attract further backing, how with the news that he has chosen by champion jockey Eddery in preference to who must now be conside doubtful runner.

WINDSOR
2.15—Honey Blossom
3.15—Watch-Bear
4.15—Vespucci***
4.45—Refifi*

NOTTINGHAM
2.00—Philmont
2.30—Lutyens
3.00—Gay Season
3.30—Prinia
5.00—Cliveden Reach**

HEXHAM
3.15—Alf's Carino
3.45—Collier's Dene
4.45—Moidore's Son

TV Radio

BBC 1

† Indicates programme in black and white.

12.25 p.m. Doubts and Certainties. 12.55 News. 1.00 Pebble Mill. 1.45 Andy Pandy. 3.58 Regional News (except London). 4.00 Play School. 4.25 Astronut. 4.30 Jackanory. 4.45 Blue Peter. 5.10 John Craven's Newsround. 5.20 Here Come the Double Deckers.
5.40 Hector's House.
5.45 News.
6.00 Nationwide.
6.50 The Goodies.
7.20 Angels.
8.10 Panorama.
9.00 News.
†9.25 The Monday Film: "Al Capone," starring Rod Steiger.
11.05 To-night.
11.40 Weather/Regional News.

All Regions as BBC 1 except at the following times:—

Wales—1.45-2.00 p.m. Pili Pala. 6.00-6.50 Wales To-day. 6.50-7.20 Heddiw. 11.05-11.40 Kane on Monday. 11.40 News and Weather for Wales.

Scotland—6.00-6.50 p.m. Reporting Scotland. 11.05-11.35 Enigma from the Prom. 11.35 Scottish News Summary.

Northern Ireland—3.53-4.00 p.m. Northern Ireland News. 6.00-6.50 Scene Around Six. 11.40 Northern Ireland News Headlines.

England—6.00-6.50 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth).

BBC 2

6.40 a.m. Open University.
11.00 Play School.
5.00 p.m. Open University.
7.30 Newsday.
7.45 Anthony Powell: "The Music of Time."
8.10 *High Chaparral.*
9.00 Chronicle.
9.50 Centre Play.
10.20 The Trinidad Philharmonic Steel Orchestra.
10.50 Open Door Forum.
11.25 News Night.
11.40 Closedown: Barry Foster reads "And Here I Am, Fighting Dandelions" by Kenneth Burke.

LONDON

10.10 a.m. A Big Country. †10.50 "Clue Of The Silver Key," starring Bernard Lee. 11.50 Galloping Gourmet. 12.15 p.m. Untamed World. 12.40 Rainbow. 1.00 First Report. 1.20 Lunch-time To-day. 1.30 Gambit. 2.00 Good Afternoon. 2.30 "To Trap A Spy," starring Robert Vaughn. 4.10 Cartoon. 4.25 Clapperboard. 4.55 Hogg's Back. 5.20 And Mother Makes Five.
5.50 News from ITN.
6.00 To-day.
6.45 Whodunnit?
7.30 Coronation Street.
8.00 My Son Reuben.
8.30 World in Action.
9.00 The Sweeney.
10.00 News.
10.30 Seven Ages of Fashion.
11.00 The Streets of San Francisco.
11.55 Men, Morals and Management.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 1.30 Out of Town. 2.00 Houseparty. †2.30 Monday Afternoon Film: "The House On Telegraph Hill," starring Richard Basehart and Valentina Cortesa. 4.25 The Romper Room. 6.00 About Anglia. 10.30 The Brian Connell Interviews: Dr. Derek Stevenson, Secretary of the British Medical Association. 11.00 Police Surgeon. 11.30 Anthology.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 2.30 Feature Film: "Rendezvous With Romance," starring Lauren Bacall and Robert Stack. 5.20 Around The World in 80 Days. 6.00 ATV Today. 10.30 Platform for Today. 11.05 A Future for Our Past.

BORDER

†1.20 p.m. Border News. 2.00 Housecall. †2.30 Monday Matinee: "All the Way Home," starring Jean Simmons and Robert Preston. 6.00 Border News and Lookaround. 6.15 Chopper One. 10.30 For Adults Only: "Three in the Attic," starring Yvette Mimieux. † 12.10 a.m. Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 2.00 Preludes. 2.30 The Monday Matinee: "Wedding Breakfast." 6.00 Channel News. 6.10 Come Golf With Me. 10.30 A Place in Europe. 11.00 Here Comes the Future. 11.25 News and Weather in French, followed by Channel Gazette.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 2.00 Flair. †2.30 Monday Matinee: "Victoria The Great." 6.00 Grampian News. 6.10 Hanna-Barbera Cartoon Specials. 10.30 Viewfinder. 11.00 Orson Welles Great Mysteries. 11.30 Evening Prayers.

GRANADA

9.30 a.m. Sesame Street. 10.25 Here Comes the Future. 10.50 The Galloping Gourmet. 11.15 The Rovers. 11.40 A Big Country. †12.20 p.m. The Three Stooges. 1.20 This is Your Right. 2.30 Monday Matinee: "The Neon Ceiling." 4.15 Cartoon. 5.20 Supersonic. 6.00 Granada Reports. 10.30 Sounding Brass. †11.00 Command Performance: Route 66. 11.55 The Nature of Things.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Housecall. 2.30 The Monday Matinee. 6.01 Report West. 6.22 Report Wales. 10.30 A Place in Europe. †11.00 The Monday Film: "The Secret of Convict Lake," starring Glenn Ford.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 2.00-2.30 Hamdden. 6.01-6.22 Y Dydd. 8.30-9.00 Yr Wythnos.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.01-6.45 Report West.

SCOTTISH

1.25 p.m. Road and Weather Report. 2.00 Housecall. †2.30 Monday Matinee: "Miracle In The Rain," starring Van Johnson. 6.00 Scotland To-day. 6.30 Crimedesk. 10.30 Late Call. 10.45 Phantom Opera House. 11.20 Men of Affairs.

SOUTHERN

11.00 a.m. The Sights and Sounds of Africa. 11.25 Jobs for the Boys. 11.55 Skippy. 12.20 p.m. Hammy Hamster's Adventures on the Riverbank. 1.20 Southern News. 2.00 Houseparty. 2.30 The Brandon Exchange. 3.25 The Persuaders. 5.20 Hogan's Heroes. 6.00 Day by Day. 10.30 Barnaby Jones. 11.30 Southern News Extra. 11.40 Guideline. 11.45 Farm Progress.

TYNE TEES

12.35 p.m. Starting Point. 1.20 Lunchtime News and Lookaround. 2.00 Housecall. †2.30 Monday Matinee: "Goodbye, My Fancy" starring Joan Crawford and Robert Young. 5.20 Chopper One. 6.00 Today at Six. 6.35 Police Call. 10.30 Barnaby Jones. 11.25 Late News Extra. 11.35 Questions Jesus Asked.

ULSTER

1.20 p.m. Lunchtime. 2.00 Women Only. 2.30 Monday Matinee: "Conquest of Space". 3.55 Woody Woodpecker Show. 4.23 Ulster News Headlines. 5.20 Inner Space. 6.00 UTV Reports. 10.30 Monday Night with the Rev. T. Oliver Thompson. The Ulster Institute of the Deaf. 10.40 Spectrum. 11.10 Orson Welles Great Mysteries.

WESTWARD

12.00 The Master Chefs. 12.15 p.m. Untamed World. 12.38 Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.00 Preludes. †2.30 The Monday Matinee: "Wedding Breakfast" starring Bette Davis. 6.00 Westward Diary. 6.20 Sports Desk. 10.30 A Place in Europe. 11.00 Westward Late News. 11.03 The Summer of '75. 11.25 Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. †2.30 Monday Matinee: "Holiday Camp," starring Jack Warner and Kathleen Harrison. 4.20 Cartoon Time. 5.20 Chopper One. 6.00 Calendar. 10.30 "Queen of the Stardust Ballroom," starring Maureen Stapleton.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 5.00 Newsbeat. 5.15 John Peel with Top Gear. 7.00-12.33 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Simon Bates (S) including 6.15 Pause For Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin. 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoner's Walk. 11.30 Jimmy Young (S). 1.50 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1 but including on 1500m only (also 202m Scotland) 2.45, 3.45, 4.45 Sports Desk. 5.02 Waggoner's Walk. 5.17 Len Jackson (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Free Spin. 7.30 Sports Desk. 7.32 Alan Dell: The Dance Band Days. 8.02 The Big Band Sound (S). 9.02 Humphrey Lyttelton with The Best of Jazz on records. 10.02 Sports Desk. 10.05 John Dunn with Music Through Midnight (S) and 12.00 News. 12.31 a.m. News Summary.

RADIO 3 — 464m, Stereo & VHF

† Medium Wave only

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Brahms (S). 9.50 A Second Violin Speaks (talk by Sigmund Nissel). 10.25 English Keyboard Music (S). 11.00 Edinburgh Festival: concert, part 1: Beethoven. 11.25 Festival Comment. 11.40 EIF concert, part 2: Beethoven. 12.35 p.m. Masters of the Classical Guitar (S). 1.00 News. 1.05 Scottish National Orchestra (S). 2.30 In Short. 2.40 Unaccompanied Bach played on a baroque violin (S). 3.50 National Youth Orchestra of Wales (S). 4.30 London Organ Week 1975 (S). 5.15 Bandstand (S). 5.45 Homeward Bound. 6.05 News. 6.10 Homeward Bound (continued). 6.30 Study on 3. 7.30 Proms: concert, part 1: Brahms, Lutoslawski (S). 8.35 Facets of Destruction (selection of poems). 8.55 Proms: concert, part 2: Beethoven (S). 9.45 Drama Now. 10.15 Peter Hurford, organ recital (S). 10.30 Siegfried Lorenz sings Mahler (S). 10.55 Jazz in Britain (S). 11.25 News.

Radio 3 VHF only—5.45-7.30 p.m. Open University.

RADIO 4 — 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Week. 6.40 Prayer for the Day. 6.45 Today including 6.50 VHF Regional News. 6.55 Weather and programme news. 7.00 News and more of Today. 7.27 Sportsdesk. 7.35 Today's Papers. 7.45 Thought for the Day. 7.50 VHF Regional News. 7.55 Weather, programme news. 8.00 News and more of Today. 8.27 Sportsdesk and 8.35 Today's Papers. 8.45 The High Window. 9.00 News. 9.05 Start the Week with Michael Parkinson. 10.00 News. 10.05 Wildlife. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Down Your Way. 11.50 Announcements. 12.00 News. 12.02 p.m. You and Yours. 12.27 Desert Island Discs. †12.55 Weather, programme news. VHF (except London and SE) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour including 2.00-2.02 News. 2.45 Listen with Mother. 3.00 News. 3.05 Afternoon Theatre (S). 4.35 Story Time: "England, their England" by A. G. Macdonell, part 1. 5.00 PM Reports. 5.50 Financial Report VHF Regional News. 5.55 Weather: programme news. 6.00 News. 6.15 Fair Deal. 6.45 The Archers. 7.00 News Desk. 7.30 Frank Muir Goes into . . . Serious Music. 8.00 The Monday Play (S). 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight. 11.15 The Political Clans part 1: The Macmillans. 11.30 News.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.02 Downtown. 11.03 In Town. 12.03 p.m. Call In including 12.45 London News Desk. 2.03 206 Showcase. 4.03 You Don't Have to be Jewish. 4.32 Home Run, including Sports News and at 5.00 and 6.00 London News Desk. 7.00 In Town. 8.00 Close Up. 8.30 Breakthrough. 10.03 Robbie Vincent's Late Night London. 12.00 As Radio 2 until closedown.

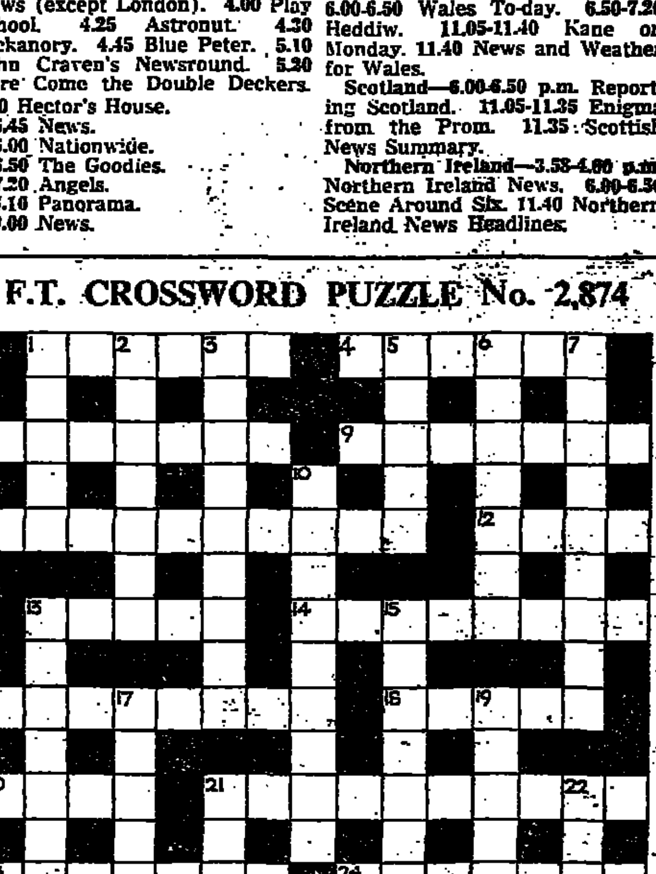
London Broadcasting — 261m and 97.3 VHF

5.00 a.m. "AM" breakfast-time show, with interviews, traffic and travel service, plus sport. 10.00 George Gale—talking to London. 12.00 Newswatch. 6.00 p.m. Newsbrake. 7.30 Music in Stereo. 9.00 Love in London. 1.00-5.30 a.m. *Nightwatch—News every half hour.*

Capital Radio — 194m and 95.8 VHF

6.30 a.m. The Breakfast Show. 9.00 Michael Aspel presents music, guests, competitions and "Swapshop". 12.00 Cash on Delivery. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Open Line. 9.00 p.m. Your Mother Wouldn't Like It: Nicky Horne's rock show. 11.00 Tony Myatt and his late night show. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 2,874



ACROSS

1 Bucks place pilgrim found despondent (6)
4 Like the National Gallery to be cunning (6)
8 Relative gets right into trouble (7)
9 Score after first game at Wimbledon with single-minded affection (3, 4)
11 Lots are drawn to take part in a better venture (10)
12 Material for counsel (4)
13 Starting 20 on gear fitting young man (5)
14 Foreign Office chaps Edward stimulated (8)
16 Gave up accepting as inevitable (8)
18 Leg of mutton soldier procured (5)
20 Ought divines to take chances (4)
21 Part of world where it is normal to pass the buck (6, 4)
23 Flighty type of footballer (7)
24 Entertains several going round West-end (7)
25 Inflamed by some part of prayer book (6)
26 Conforming to something on foot (6)

DOWN

1 Earnings of a miser (5)
2 Live through overcoats (7)
3 Big shot in Athens heard helping motorist avoid friction (6, 3)
5 Hair-do of an eccentric siren (5)
6 Sufficient food wickedness completes (5, 2)
7 Utmost endeavour of crossing-keeper (5, 4)
10 Make demands on string player for thwarting Inland Revenue (3, 6)
13 Machine which unlike broadcaster can deliver right down the line (4, 5)
15 Russian plane has share of moving about (9)
17 Very near to understanding (7)
19 Taking wine with tea is most serious (7)
21 Doctor with own Scotch found in gutter (5)
22 Bar for unruly poets (5)

The solution of last Saturday's prize puzzle will be published with names of winners next Saturday.

هكذا من الأصل

EDINBURGH FESTIVAL

هكذا من الأصل

Three modern painters

by WILLIAM PACKER

Of all the exhibitions in Edin- rgh perhaps the most impor- nt is that at the Scottish ational Gallery of Modern Art, the heights of the Botanical ardens, until September 15. ertainly it dominates those that al with the work of our own ntury.

Wassily Kandinsky is one of e commanding figures of the odern movement, a true orig- al. The Amundsen of painting, was the first to reach the le of abstraction, though hers were near at hand, closing from several directions. But e very importance of this early hievement has tended to dis- act us from his subsequent ork, which seems at first to ow him coasting homewards a successive stylistic base- mps. This is a small exhibi- on, but it covers his entire reer, setting out its course with imirable clarity. And in its ncision it demonstrates the sential homogeneity of his ork, everything, from first last, carrying the artist's own rticular stamp.

Thus we see one thing leading another; and it becomes im- ediately apparent that the ove to abstraction, far from ing an arbitrary break with e past, was a step logical, cessary and natural. And we ay see, too, how Kandinsky ands in relation to his great ntemporaries, whether the ork in question is the fauvism the 1900s or, later, the abstract rrealism of Miro, or the overt mbolism of Klee or Ernst.

Such thoughts are as surpris- g as they are stimulating, for is usually his independence at we celebrate. But indepen- nce is not isolation, and it is its great credit that the show akes this clear. Kandinsky was great pioneer, the tutelary nius of abstract-expressionism, hich he anticipated by some 30 ars. Those first abstract paint- gs of 1911 to 1912 are extra- dinary things, a major achieve- ent: and they gain in stature r being seen, not as freaks, it set into a wider context, nbracing first his own life- me's work, and then the larger story of western painting.

At the Scottish Royal Academy ntil September 14 is another ficial exhibition, a full survey the career of Ceri Richards, ho died four years ago. He as a full-blown Romantic with genuine lyrical gift; and as young man, in the late 1920s, e was among the few artists England, not only aware of e major figures of the School f Paris, but actually prepared respond to their work. He as never an innovator himself, ut a refined and intuitive in- elligence enabled that response to be free and natural, drawing upon the examples of Picasso, Braque and Matisse as fruit- fully as later he was to look to the painters of New York. His work was always physical, obviously so in the lushness of his material, and his enjoyment in handling it, and also in its direct, often sensuous associa- tions.

Ceri Richards: 'Music of Colours, White Blossom (Requiem for a poet)'

Richards was one of those artists we produce regularly, and there are many of them in his generation, whose best work is their earliest, who become seduced at times by success, and by that English penchant for decoration laced with illustrative content. (In his case these associations were frequently musical, for he was always intrigued by the parallels to be found between the two disciplines of painting and music.) And yet their talent is real, if unpredict- able. Richard's surrealist con- structions and assemblages of the 1930s stand among the best being done in this country at the time; and later, the Cathédrale Engloutie series, made between 1957 and 1963, produced some ravishing single works, and stands together as a major achievement.

The signs are that he was work- ing strongly at the time of his death. But his career was punc- tuated with patches of very poor painting too, slack and mannered, and some of them are here.

The show itself is reasonably well hung, though the labelling is perfunctory; but really the SRA should make at least some effort to insulate a show like this, one of some importance and much interest, from their summer bazaar.

Finally, at the New 57 Gallery, above the Fruit Market, until September 12, is a small show of work by R. B. Kitaj. It is another example of the Fringe relying upon the professional galleries doing their job instead of going off on holiday. This interesting exhibition contains a variety of work, paintings, prints and drawings, some of them recent, even unfinished, others ten years old. Kitaj is never less than interesting, but often irritatating, not so much wilfully as complacently obscure. And looking back at it, much of his work in the 1960s now seems over-decorative and mannered, his own cleverness always getting in the way. But the later work, here at least, is more straight- forward, the artist less intrusive: and some examples, the pastel drawings especially, are extremely beautiful.

Israeli and Russian

by GILLIAN WIDDICOMBE

As festival budgets tighten, it s not surprising their pro- rammes become more and more imiliar, not only in terms of rtists appearing, but of works erformed, thus economising on ehearsal time. This year, for xample, it was possible to hear he same concert in Salzburg where orchestral tickets cost up £20) as in Edinburgh (for nly £7) a week later. And it is ow apparent Edinburgh policy or orchestral programmes by he London orchestras to repeat orks particularly successful uring previous seasons at estival Hall (top price £3-£4). eaving aside the insoluble ques- on of whether, say, Edinburgh hould be planned for residents r visitors, Festival prices need be justified by the quality of e selection. Certainly there is reason to pay a premium for e fact that you can't tipple so uch as canteen coffee during e interval at Usher Hall.

Both Salzburg and Edinburgh atured the Israel Philharmonic. ith its Music Adviser (that is ost favoured conductor, but he ves in California), Zubin Mehta. ome consider the IPO a second- ass choice for a first-class stival. It is a warm-based, ugh-edged, willing ensemble, ith a thick, middle-European ring sound, some squawky oodwind, and a reputation for n-or-off evenings (the variable andards I can confirm, since earing them play Mozart in a arn-like concrete hall on the ice of the Golan last April). owever, it is characteristic of is orchestra's resilience that e IPO survives not only tough nditions, and the hardest work- ad (re concerts per year) of ny orchestra in the world, but so that Israelis thrive on tour- g, and respond to festival casions.

When the IPO came to dinburgh in 1971, they played honest, exciting Mahler First ith Mehta; an ideal choice, ven the firm, audacious string aying, and the strident, salt- d-peppery woodwind. This time vorak's D minor Symphony was e best item in their three dinburgh programmes, with ehta conducting a vigorous, xhuberant, often loud, self- bandoned interpretation, in hich melodic lines were swept ong with muscular phrasing, nd not much time was spent arching for the occasionally oleful timbre to be found (at a ower tempo) in Dvorak's har- onic shading. It was a pectacular, happy performance.

By chance I also heard the alzburg performance a week arlier. Salzburg's auditorium is ss flattering, and critical sub- ctivity is such that Mehta's ading here seemed over-bright nd flashy. After a few days in alzburg, one's ear becomes pellbound by the disciplined onority of everything touched y Karajan. For every sound, n elegant attack; for every hape, smooth opening and osure; expressively tasteful, ven austere. Though both cul- vate a sensual orchestral ocabulary, Mehta and Karajan present opposite musical ethods: Karajan nurses the ulse, and controls; Mehta paints the phrase.

So it was particularly interest- ing to hear, both in Salzburg and in Edinburgh, Mehta put the IPO through Schoenberg's Varia- tions for Orchestra, for this has recently become Karajan terri- tory, and the Israelis lack the necessary virtuosity. Schoen- berg's orchestration is like a perfect cobweb, delicate and separate in shape, fragile and soloistic in texture. How beauti- ful the web can sound, how smoothily hung, and how densely sustained, has recently been proved for the first time by Karajan and the Berlin Phil- harmonic in the recording studio, where dynamic grading can be adjusted and instru- mental blend changed from one variation to another. Concert performances are seldom satis- factory, at the best of times.

The IPO's performance was ob- viously well prepared, and did not falter. In Edinburgh it held shape and atmosphere remark- ably well, for te Usher Hall adds a flattering tissue of reverber- ation which softens rough edges, and tones down the lower wood- wind and basses—the IPO's weakest corners. In Salzburg, however, I thought the perform- ance a disaster, and the audi- ence's applause a *chutzpah* medal for Mehta. Rhythmically it was rough, percussively it was sloppy; wind playing was lucky, and strings scratchy. For such scattered, inwrought music, Mehta's goading is almost up- setting. Orchestral players at least in the IPO, cannot be ex- pected to sustain a clear-sighted view of the ideal pulse and tex- ture while applying themselves to such detailed nuance and fastidi- ous articulation; phrase-painting is less use to them than a sense of calculation, and more time should be spent controlling the woowind.

In Edinburgh, the IPO closed with *The Rite of Spring*, which presented the other side of the coin. Given an orchestra that can never achieve quite the clockwork precision of the Chicago Symphony, Mehta's goading is here invaluable. Though *The Rite* makes an excel- lent showcase for cold virtuosity and icy string playing, it is most lovable when the performance is thirsty, earthy. A more sophis- ticated orchestra, with dove- tailed wind phrasing, can achieve much darker effects in the Ancestors' Ritual, for example; and make a richer, more fasci- nating canvass of work which, for all its programmatic episodes, is essentially a contrast of fast and slow tempo. But the IPO did capture its primitive energy, and Mehta smashed his way through with enviable bravado. Mishaps occurred, such as some fiddles ending the climax to the first part one beat after the rest of the orchestra; but none mattered, or interferred.

The IPO's Mozart playing varies. On Thursday, the endear- ing C major Symphony, No. 34, was given as svelt and light a performance as can be expected from a symphony orchestra. But the preceding night, Alfred Brendel's performance of E flat Concerto, K271, was given a coarse and clunky accompani- ment, quite wrong for Brendel's light-textured, rather feminine playing, with gilded cadences, and considerable softening by pedal. Presumably the touring schedule allowed no time to match Brendel's carefully pinked rhythms, for Mehta and the IPO proved earlier in the week, with Schubert's a little D major Symphony, No. 3, that they can play deftly. The Schubert was slightly spoiled, however, by being presented in the spirit of an overture: the first movement repeat was missing, and so was the teasing sense of humour.

Janet Baker joined the IPO for Mahler's *Kindertotenlieder*. Her interpretation is familiar, pro- viding as the mezzo voice does a different, more entangled rela- tionship between voice and orchestra than when sung by baritone. Miss Baker's perform- ance in Edinburgh was more intense than I remember, the voice stretched with oboe-like pleading for the peak phrases in "Wenn dein Mutterlein," and purged down to sad resignation at the close of the cycle. But most of all Mahler's works, and specially when sung by mezzo, *Kindertotenlieder* needs gentle, flexible woodwind, which can be damped down to shadow the voice both in unison doubling and octave competition. In the IPO's accompaniment, that did not always happen.

The two other works of soloists were more courteously treated. Daniel Benyamini, the IPO's principal viola, led a fluent, amiable performance of *Harold in Italy*. Itzhak Perlman gave a superb performance of Berg's Violin Concerto. Perlman is in wonderful form at present, and also gave Edinburgh a superla- tive morning recital, balancing a dazzling performance of Proko- fiev's sparkling D major Sonata with Schubert's dainty D major (Op. 137, No. 1) and Bach's solo sonata in A minor. The Bach was played with cool vibrato, smooth bowing, rare lyrical dig- nity in fugue and final Allegro, and sombre, elegaic shading in the Grave and Andante. (Good to hear that Perlman will play all six solo sonatas in London during the forthcoming season.)

In the Berg concerto, Perlman captured an even more requies- cent quality with impeccable in- tonation throughout the angular thematic line. He used music for this concerto, as all sensible soloists should when the orches- tra may well throw them by missing a cue or adding a domino. Nothing else betrayed the difficulty of this twilight, secretive concerto, for rather than the usual clinical approach, Perlman sustained his part as a long cantilena, romantic in phrasing and colouration. Perlman also played in Salz- burg with the IPO, acknowledg- ing the Austrian sweet tooth with a moist, tender account of the Mendelssohn Concerto.

Rostropovich and Vishnevskaya also appeared in Salzburg and Edinburgh — and Pollini would also have done so, but for a car crash in Milan a couple of months ago. In both, R and V gave their Russian lieder pro- gramme, with Vishnevskaya splendidly gowned and Rostro- povich playing all the piano accompaniments from memory. Salzburg's programme contained more songs by Chaikovsky, and Edinburgh's four by Rakhmani- nov: but the carefully balanced sequence was virtually the same, and enabled Vishnevskaya to turn a varied selection of predomi- nantly light songs into a short but weighty and satisfying pro- gramme. In Edinburgh she took a little time to warm up. (Who would not, in Leith Town Hall —newly painted blue, and re- named the Citadel Theatre, for no glaringly obvious reasons— at 11 in the morning?) But the great voice is in magnificent form, so keen-edged and power- ful that it cleaved the air as though projected by a steel diaphragm. The artistry, and characterisation remain inimit- able.

They also appeared with the London Symphony and Claudio Abbado in a Prokofiev pro- gramme on Tuesday. Vishnevskaya sang the mournful solo in Alexander Nevsky; but the voice was cold, and flawed Abbado's vivid reading, which emphasised the chorus (Edinburgh Festival, singing in Russian) rather than the orchestral atmosphere. Rostro- povich played Prokofiev's Sinfonia Concertante, of which he is still virtually the only champion. Even in its second form (it began life as an even longer cello concerto), the work needs Rostrpovich's virtuoso embroidery and expressivity, if not ail his rubato. Thirty-five minutes are not excessive for a concerto, and there are some excellent episodes of melodic reverie among them. But the stamping, *Kije*-like passages become rather overbearing, and ideas seem pegged together by the cello line, not generated or integrated by disciplined structure, as in Prokofiev's violin concertos.

Coliseum

La Belle Hélène

by RONALD CRICHTON

The old Sadler's Wells produc- tion of *La Belle Hélène* which survived the move to the Coli- seum, served as framework to some lively performances. It bad, at least in its later stages, more vigour than distinction. The new one by John Copley, in designs by Bruno Santini, per- formed on Thursday with Charles Mackerras conducting, has enough of both qualities to pro- mise a big popular success and a long run. There is a smashing Helen in Anne Howells, who has taken her chances with both hands, an unusually bright Paris (John Brecknock), and a strong bunch of comics.

Offenbach in English in a large theatre poses a double problem. How far can you thin out the classical and topical allusions, and broaden the humour, without completely de- naturing the original? For- tunately the music has enough vitality, invention and melody to stand up to a good deal. *La Belle Hélène*, unlike *La Vie Parisienne*, is not tied to a spe- cific place at a specific time. A send-up of a Greek myth stuffed with contemporary references can take wider treatment. Accordingly Mr. Copley has used a mass of visual gags, some of them funny, some of them less so.

The transformation of the word-game in the first act into a TV Intelligence contest works quite well, the Game of Goose in which the high priest Calchas is caught flagrantly cheating is decoratively staged (the Second Empire passion for more or less disreputable parlour games is not without echoes to-day). The book (lyrics by Geoffrey Dunn, dia- logue by Edmund Tracey) would have more force if the producer had taken things less amiably, had allowed us to sense more keenly the present rot and the inferno round the corner, had allowed the characters to be nastier—Eric Shilling, for ex- ample, who with his habitual re- source makes much of the venal high priest, could easily give him a sharper edge.

Mr. Tracey works hard to make up for the long decline in classical education since the days of Offenbach's librettists, Meilhac and Halévy. He keeps some of the original, but adds a number of easy classical references which ought to mean something to an operatic audience and would make their effect more neatly if they weren't usually delivered in the thumpingly heavy way of musical comedy. The old jokes still win their laughs.

The Entertainment Guide is on Page 25

Miss Howells is a beauty and a comedienne, with a voice like claret. She sails on to the stage looking like the Empress Eugénie and Queen Alexandra in one with a dash of Adelina Patti for good measure. She has mobile, constantly expressive features, and the ability, invalu- able in classical operetta, sud- dently to transform herself into a shameless hoyden and then in a twinkling to reassert the regal image. She can also abstract herself and be still, as she did to great effect at the beginning of the second finale.

Helen had excellent support from her shepherd-prince- seducer. Mr. Brecknock dealt most takingly with the Mount Ida song that taxes unwary light tenors so sorely: he had the impudence of the shepherd with the arrogance of Priam's son, and his incisive way with the words was a match for Miss Howells. There are excellent comic studies from Geoffrey Chard as Agamemnon and Edward Byles as a dear old fuddy-duddy of a Menelaus. With Mr. Shilling they do justice to the third act trio in which Offenbach lays irreverent hands on Rossini and Verdi. When they catch more of the conductor's rhythm in the final section it will be even better.

The big Offenbach scores re- pay a conductor of Mr. Mackerras's eminence not only for the extra sparkle he gives them but for the care he takes over the little bits of sudden felicity (when Offenbach is rounding off a number, for in- stance, and in the way his tunes tend to move sinnously like a Mozartian viola part). He also knows, and demonstrates, that this composer's waltz tunes need to be played more straight, less creamily, than their Viennese successors.

Bruno Santini is a young designer who can create an im- pression of brilliance and opulence with simple means. His designs for this production successfully jumble classical motifs and Second Empire luxury. He suggests the under- lying vulgarity of the period, the rat-holes behind the satins and velvets. Helen's dresses are stunners. Only the second act needs a little more thought, or perhaps more gentle lighting — somehow the duet for Helen and Paris never quite had the right feeling of intimacy. The "family group" in which Helen took understandable pride includes a splendidly louche swan.

ICA Theatre

Judgement

by MICHAEL COVENEY

Barry Collins's monologue, delivered by a Russian Army Captain before a military tribunal represented by the audience on three sides, is receiving four performances by the National Theatre in the shape of Colin Blakely, the last of them to-night. Vukhov has been incarcerated for 60 days in a Polish monastery during the Second World War. He and six fellow officers had been taken prisoner by the Germans and abandoned by them. Vukhov offers evidence of his sanity and powers of reason by giving an astonishingly detailed and lucid account of his internment and survival. His sole remaining companion lies in a room behind the court; Vukhov is anxious to re-enter society and resume his part in the war.

The script (all 80 pages of it) is delivered without an interval. Mr. Blakely's prodigious feat of memory and performance filling two and a half hours. The direct form of the address embroils us in Vukhov's own fascinating tussle with the proposition that the removal of all conditions of normal life and, most import- antly, the obliteration of all sense of life expectancy, has resulted in human behaviour that confirms man's ability to rationalise his existence in a moral, humane manner; at the same time, Vukhov's extra- ordinary mental resilience has enabled him to remain an objec- tive witness to this process as the process itself has been systematically abandoned by the officers in the cause of physical expediency.

The officers have rejected the idea of a mass suicide pact in favour of distilling as much as possible of their corporate life. We hear a moving and vivid account of the decision to turn cannibal after the senior officer, following a lottery, surrenders himself to be smothered by the others. Once the first chunk of his flesh has been devoured and the initial qualms of the group are suppressed by the necessity to eat and drink, the narrative proceeds to document the whole- sale disintegration of the group. This is done slowly and carefully, a tale continually related by Vukhov to his palpable concern for and love of his companions.

One refuses to accept the dictate of the lottery and is ruth- lessly helped on his way. Another, unable to participate in the ritual, cuts his wrists with one of his own extracted teeth and bleeds to death. A third enters into a weird and disturb- ing religious trance before lying down to die. And the fifth has his neck broken by Vukhov's fellow survivor—an act, it is argued, of mercy to rescue him from the disgusting deterioration of his formerly magnificent body. "I withdrew my compassion to pre- vent myself being crushed" con- fesses Vukhov. As he sharpens a thigh bone on the prison floor to kill his boon but raving com- panion, the door bursts open and the world rushes back.

Peter Hall has directed this strange, bleak play with a low- key precision that eschews cheap effects, compelling Mr. Blakely to scale his delivery (with the exception on one or two bursts of speed and anger) to chamber proportions. Mr. Blakely, in turn, standing with doleful strength in white, institutional clothing, ex- pertly involves the audience in his urgent expressions of fact and philosophical conclusion.

Theatre Royal, Stratford E.15

Move Along Sideways

Nothing but a good time is to be currently had in the company of Ron Moody at Stratford East. He appears first as a dignified Victorian player unceremoni- ously conned into giving a recital, but not, as he had hoped, by the Avon. The set is tatty, the stage-management unenthusi- astic and the 16-piece orchestra on strike. A sombre, evening-suited trio of blacklegs wander reluctantly on to the stage. When Mr. Moody recites from *Hamlet* and demands an appro- priate setting, a stage manager comes on to get his signature for the two dilapidated columns that shudder down from the flies. The solos artist, bursting to be taken seriously, never has a chance. A dramatic excerpt from *The Bells* is ruined by musical effects; his dastardly Svengali is completely upstaged by a persis- tent Trilby who is finally and brutally dealt with somewhere on the way to the bar.

Mr. Moody knows and regrets that he is expected to re-animate our memories of *Oliver*; this does not prevent him, however, by obliging with his brilliant delivery of "I'm reviewing the situation." And then, in a flash, he is suddenly Tommy Cooper introducing George Formby, com- plete with well-played banjo, polishing those windows. In an age when mimicry has become a somewhat debased skill thanks to the selevision comedy shows, Mr. Moody boldly and expertly dis- plays his extraordinary talent for it. The display is cleverly woven into his thematic argument that many of the greatest actors achieved their greatness despite not being known for playing the classics. "Did you know Mickey Rooney was a fantastic Puck?" he inquiries, wickedly, before giv- ing us Groucho as Hamlet ("Get thee to a nunnery . . . and book me a reservation") and Bogart as Richard III. Another Hamlet is provided by Alastair Sim: I do not mind admitting that at this point I was helpless with laughter. The diagonal teeth, the startled hair, the desperate side- ways glances—the physical trans- formation is astounding. And when Sim butts in on Bogie, the former's apology is quiveringly appropriate: "I do beg your par- don, the teeth took me over."

The impersonations flash by: Dean Martin, Trevor Howard, Charles Aznavour. But while Mr. Moody on one level wishes us to take him seriously, he joyfully destroys the force of his own protest by averring, in song and performance, that everybody loves a ham. And Mr. Moody can be an excellent and enthralling ham when he wants to be. A couple of monologues are really given the treatment, and not a titter is raised.: In his cross- chat with the audience, Mr. Moody comes across as a modest and likeable man. And his fine musical backing is provided by Ronnie Cass on piano, John Bennett on guitar and Peter Houchin on bass.

MICHAEL COVENEY

Albert Hall/Radio 3

Boult/Handley

Sir Adrian Boult and Vernon Handley divided equally between them the four works played by the BBC Symphony Orchestra in Thursday's Prom. It was a first half of English musical knights, and to Sir Adrian fell, after a wonderfully natural and shapely account of the Elgar Introduc- tion and Allegro, the first Prom performance of Sir Lennox Berkeley's *Voices of the Night*. This short orchestral nocturne, written for the 1973 Three Choirs Festival, is so disarming in its cool simplicity and atmospheric understatement that the ten- dency is invited of underestimat- ing its subtle achievement.

In the scoring, lucid and clean- lined with glowing nocturnal touches of vibraphone, harp and tolling bell, there is the elegant economy of manner always (but often dismissively) ascribed to Berkeley's French schooling and sympathies. In fact there is something to be detected of Ravel, in the tone of melancholy under the immaculate surface, of the "Classical" Satie in the two-bar periods patterning a rhapsodic impression with neat- ness and precision.

Mr. Handley's crisp, decisive baton took charge of the Bliss *Meditations on a theme of John Blow*, alive to rhythmic spring and tone-colour as Sir Charles Groves had not been at Chelten- ham this year; but still unable to persuade the music out of an all-pervading portliness and self- satisfaction. Those were surely Disney lambs in the third Medi- tation. The accompaniment to Beethoven's Violin Concerto, after the interval, was less crisp and well-balanced (less well- rehearsed?), with intrusive horns thumping out equal accents. As the soloist was Itzhak Perlman, with his line of perfect purity and unassailable intonation, and his instinctive ability to look inward, one soon forgot to mind.

MAX LOPPERT

HOME NEWS

EDC best forum Leyland told by foundry men

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

BRITAIN'S foundry industry finds its whole future bound up with British Leyland's development plans and has asked for urgent discussions to sort out the situation.

A large sector of the industry wants to take advantage of the recently-announced Government aid scheme, which made £25m. available for modernisation projects.

Compared with that sum for the U.K.'s 750 other foundries, British Leyland will be spending £50m. on its own seven foundries. The use to which that cash is put will influence to a great extent the facilities other companies will develop.

Mr. Ken Corfield, chairman of the new foundry Economic Development committee, has pointed this out to Mr. Alex Park, Leyland's managing director, in a letter asking that there should be full consultation between Leyland and the rest of the foundry industry and suggesting that the Economic Development Council would make the best forum.

Although the foundry men would like to press on with their own modernisation plans, the feeling in the industry is that it will be some time before Leyland makes up its mind. It will not be until Leyland has decided just what engines it will be making for its new products that the company will turn its attention to the castings its foundries should turn out.

So it hardly seems likely that the outside foundry companies will get any useful indication about Leyland plans until well into next year.

Apart from the problems involved in waiting for Leyland, some foundry companies were disappointed with the scale of the Government aid offered.

Against the promised £25m., the industry's own exercise on what was required produced the answer that the Government would have to put up at least £63m. if any State scheme to promote modernisation and rationalisation of this vital sector was to succeed.

Giving statistics to back its case, the foundry Economic Development Committee said that capital expenditure by the industry seemed likely to total £270m. (at present prices) over the next five years—or £54m. a year. Of this, about £90m. (or £18m. a year) would relate to pollution control equipment which would not lead necessarily to any benefits to production.

Spending on fixed assets at this rate would mean that over the next five years the industry would exceed its cash flow by more than £35m.

However, the foundry Economic Development Committee official line is that the scheme announced by the Department of Industry last month did not depart too far from what was needed. The industry asked for £9m. a year for seven years and instead is getting £5m. a year for five years.

The committee feels that this is about as far as the Treasury could be expected to commit itself to an untried scheme and that, if it succeeds, there might be more money available later.

Other Home News on Page 25

Vietnamese anthracite to boost home stocks

By Arthur Smith

Anthracite being imported from Vietnam because delays by planning authorities have held back home production, the National Coal Board claimed last night.

Output of anthracite from open cast mines in South Wales has fallen to 70,000 tons a month compared with 105,000 tons this time last year, the Board said.

Problems had been experienced in acquiring land and obtaining authority from the Department of Environment to buy it, but the main constraint was the time taken to get planning consent.

The Board was waiting for the go-ahead on three more sites, but it was unlikely that two of them would start production until after the new year.

So that adequate stocks could be laid down for the winter, merchants were importing anthracite from Vietnam, but the total would not exceed 100,000 tons. If it was a mild winter even this amount would not be used up.

Merchants are having to pay premium prices for the imported fuel, but the cost to the consumer—about £41 a ton—is being held. The Coal Board and the Coal Merchants Federation are discussing how costs can be absorbed.

The Board is confident that imports of anthracite, used principally for domestic central heating, will not be required again. In addition to restored output from open-cast workings, the new deep mine at Betws should be in production by 1977.

Pressure is growing for engineering profession inquiry

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

PRESSURE FOR a Government inquiry into the future of the engineering profession built up at the weekend after the Institution of Electrical Engineers decided to quit the central body, the Council of Engineering Institutions.

Mr. Arthur Palmer, MP for West Bristol, who some weeks ago called for an inquiry, said: "The decision by the IEE just emphasises again the chaotic state of the profession and strengthens the need for an inquiry."

The IEE would welcome an inquiry because "it would give the industry a chance of airing the proposition that there should be statutory registration of professional engineers. We have nothing to fear from a public inquiry."

The IEE members has launched a vitriolic attack on the CEI, saying that during its 13-year life it had been of no significant advantage to the electrical engineering profession and that the benefit to the engineering profession as a whole and to the public had been lamentably small.

The IEE also says that conceding responsibility to the CEI for the standard of academic qualification has been detrimental to the electrical engineering profession, whatever advantages it might have had elsewhere.

The row centres on efforts made by Britain's 300,000 professional engineers to form one powerful organisation which would get them a better hearing when dealing with the Government and develop a better public image for the engineer.

Radical changes are proposed for the CEI, but they do not go far enough for the IEE, would like to see ch[...] engineers of all t[...] irrespective of their sp[...] within the profession — able to become direct m[...] of the CEI and to elect its [...]ing body. These move[...] opposed, mainly by the [...] institutions, and comprom[...]posals have been agreed [...]

Although shaken by th[...]drawal of its second institution, the CEI int[...] press ahead with the agre[...]posals. Professor Jo[...] Coles, chairman, has sa[...] the presidents of all th[...] constituent member inst[...] have assured him that th[...] no intention of followi[...] IEE lead.

Mr. Palmer, who direc[...] call for an inquiry to the Minister, would like a [...]based investigation which [...] try to estimate the value [...] engineer in modern soci[...]

He feels it should look [...] methods chosen at pres[...] assess standards of quali[...] and the fact that "althou[...] are given considerable p[...] under their charters, the [...]tions consider themselve[...] private bodies. There [...] need for them to acco[...] anyone when they impo[...]ciplinary measures."

Without one unified organisation for engineers [...] proving very difficult for t[...] to play its part in dev[...] common standards for en[...]ing throughout the EEC.

Mr. Palmer said that he [...]ted an answer from the Minister's office "in the [...] distant future. I get the [...]sion from my contacts t[...] matter is being looked a[...] carefully."

M.P. urges inquiry into secrets deal

FINANCIAL TIMES REPORTER

A LABOUR MP has called on Mr. Eric Varley, Secretary for Industry, to set up an inquiry into relations between British Leyland and Hyundai Motors of South Korea.

Mr. Doug Hoyle, MP for Nelson and Colne, says he has been told that Leyland is to supply "secret" photographs to the Korean company now run by Mr. George Turnbull, former managing director of Leyland's car division.

He said yesterday: "This is not only plain crackers, it is suicidal. What is the point of industrial counter-espionage if we just hand out on a plate vital secret data to foreign firms which before long may present a real competitive threat to the already ailing British motor industry?"

Mr. Hoyle said he had heard from "an impeccable source" that Triumph was to supply photographs and information about certain equipment used in the manufacturing process. Instead of supplying such information, the company should have used their facilities to develop a new car to meet competition from the developing world and to safeguard the jobs of their employees.

Leyland said last night that since Hyundai Motors was set up normal business transactions had been carried out between the two companies largely involving the supply of information about equipment used in the manufacture of body pressings.

"If we can sell our expertise to interested parties, then we do not hesitate to do so in the normal commercial way. We regard this as being as much a part of our business as selling motor cars.

"The days when you sought to protect yourself by withholding expertise are long past."

There clearly had to be a degree of co-operation in applying the equipment being supplied to the Korean company.

"Hyundai is starting from scratch a major motor manufacturing facility and cannot do it in isolation. It has to be linked with equipment we have supplied."

Shotton producing again

IRON-MAKING has resumed at the British Steel Corporation's Shotton works, Deeside, less than a month after the collapse of a bridge carrying air, water, gas mains and electrical power supply to the blast furnaces.

The bridge, spanning 150 feet, fell into the slag pit on August 12, making No. 1 furnace completely inoperable. The works' other blast furnace was being relined, which meant that the open hearth steel-making plant had to change to cold charging of scrap and plate iron.

A works official said that No. 1 blast furnace started producing hot metal again after a "great effort" by the contractors, Redpath Dorman Long and William Press and Son, and the works' own engineers and craftsmen.

"One of the biggest repair jobs in the history of the works has been completed ahead of its schedule."

Frigate ordered

THE ROYAL NAVY has ordered a Type 22 frigate from the Clyde yard of Yarrow (Shipbuilders). The £20m. ship is expected to be launched at the Scotstoun yard early next summer.

Retail index may show inflation is easing

A FURTHER easing in Britain's high inflation rate is expected to be shown in official figures due to be released this week.

In spite of this improving trend, inflation for the year to last month will almost certainly be a new record.

With no major Budget or other prices increases last month, the Retail Price Index is expected to show on Friday that prices rose during the month by about the same, as or slightly less than, July's 1 per cent. increase.

This would compare favourably with other recent monthly increases, especially the record 4.2 per cent. in May, when the full impact of the spring Budget was felt.

Because prices rose by only 0.1 per cent. in August last year, the inflation figure for the last 12 months is likely to show an increase on the record 26.3 per cent. for the 12 months to the end of July. If prices rose last month by the same amount as in July, the annual rate would reach a new high of more than 27 per cent.

From about November the annual rate should start to ease towards the goal set by Mr. Denis Healey, the Chancellor, of 10 per cent. by late summ[...] year—especially if the [...] policy holds.

As inflation falls, Mr. [...] is likely to come under [...]ing pressure to act on [...]ployment. He said at the International Monetary [...] meeting in Washington, [...]ever, that he had no int[...] of boosting the economy [...] the spring.

Building society figures due for publication on F[...] are expected to show new [...] continuing to flow in at ab[...] same rate as July's b[...] £270m. New commitme[...] mortgages, however, are [...]ted to fall slightly to be[...] £440m. and £460m., com[...] with July's record £484m.

Britain's trade balance [...] for last month — also d[...] Friday—are expected to s[...] slight worsening in the [...] gap. July's figure was af[...] by the arrival of a £100[...] rig and the arrival of a[...] rig is expected to hit the A[...] figure.

The wholesale price i[...] due out to-day, will indica[...] extent to which raw materi[...] factory-gate prices are fu[...] inflation.

Prentice opens his local comeback fight

MR. REG PRENTICE, virtually disowned by Newham North East Labour Party this week, begins the fightback to "recapture the party for moderation and good sense."

The general management committee of the local party voted 29-19 in July not to readopt Mr. Prentice as their candidate at the next General Election. His appeal against this decision comes before the Organisation Committee of the National Executive of the Labour Party today.

On Thursday he will be backed by Mr. Roy Jenkins, Home Secretary, Mrs. Shirley Williams, Prices Secretary, and Mr. Tom Jackson, Post Office Workers' leader, at a "Reg Prentice states his case" public meeting in Newham Town Hall.

Mr. Prentice, Minister for Overseas Development, said at the week-end: "I believe this will be a unique occasion. It is the first time that Cabinet Ministers and a prominent trade union leader have joined on a platform to try to reverse a decision of a local Labour party affecting its candidate.

"It illustrates the point that Newham could be the beginning of a trend that could be fatal to the democratic traditions of the Labour Party."

He added: "I shall follow up this meeting with a series of smaller ones. Some will be public meetings and others private gatherings with trade union members, church groups, immigrant organisations and others."

City editor's £29,941

MR. FRANCIS WITMORE, of New Mills, Whitebrook, Monmouth, for 28 years city editor of The Daily Telegraph and subsequently financial director, who died on June 12, aged 71, left £30,441.26 gross, £29,941.13 net.

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هكذا من الأصل

Palestinian and Soviet fury turned towards U.S.

BY IHSAN HIJAZI

BEIRUT, Sept. 7.

PALESTINIAN GUERILLAS and the Soviet Union, after criticising Egypt over last week's agreement with Israel on Sinai, have now turned their anger against the United States, the sponsor of the accord.

Commando leader Yassir Arafat warned that America "shall pay a heavy price" for its presence in the Middle East. He was referring to the proposed posting of U.S. technicians at Israeli and Egyptian monitoring stations in Sinai.

A high-ranking Soviet official was quoted here to-day as saying the Soviet Union "does not intend to leave the Middle East for the Americans to run."

Mr. Arafat issued his threat in an interview published here yesterday in the weekly magazine Al Akhbar, organ of Lebanon Soviet-orientated Communist Party.

Observers here took the Palestinian and Soviet statements as heralding a stronger alliance not only against the Sinai accord but against the emerging three-way co-operation between the U.S., Israel and Egypt.

Daniel adds from Tel Aviv: A warning that the Soviet Union will attempt to undermine the new agreement between Egypt and Israel, using Libya, the Palestine Liberation Organisation and other extremist elements in the Arab world, was voiced here by Israeli Premier Yitzhak Rabin.

Speaking in an interview on the occasion of the Jewish New Year, the Prime Minister expressed the opinion that there is no detente between the U.S. and Russia in the Middle East, or else, if that exists, it is "in such an obscure and limited fashion, that to all intents and purposes it does not exist at all."

The two super-powers he added, are vying for influence in the region, and the Soviet Union's refusal to attend the siging ceremony of the agreement in Geneva last week reflected Russia's dissatisfaction with the apparent establishment of a *Pax Americana* in the region he said.

Speaking about Israel's relations with the Arab countries in the months to come, Mr. Rabin said that the implementation of the Egyptian-Israeli agreement, which will extend over five months, would show whether a new reality can be created.

"We have seen in the past few days a sharp struggle of opinion among the Arab countries which shows by itself that the decision to enter this agreement must bring about certain clarifications between the various groups and countries of the Arab world as to where they are headed," Mr. Rabin said.

With Syria there was little room for an interim settlement. Taking into account the geography of the Golan Heights, the closeness of the "huge" Syrian forces to the populated areas of northern Israel, and bearing in mind the extremist stand of the Baath Party of Syria, backed by that of Iraq, there was little room for either political or geographical manoeuvre.

Israel did not intend to dismantle any settlements on the Golan Heights as part of an interim agreement, nor change the status of the demilitarised zone.

Meanwhile it was learned that the U.S. Administration is now ready to resume the negotiations for new Israeli arms purchases, which were suspended after the breakdown of Dr. Kissinger's mission in March. The new deals reportedly involve contracts for F15s, Lance ground-to-ground missiles and laser-guided bombs.

● At least 14 people were killed in renewed clashes in the northern Lebanese city of Tripoli to-day, police sources said. The clashes, which started this morning after a comparative lull in the six-day-old factional violence there, continued this evening.
Reuter

Nkomo supporters in anti-Muzorewa move

BY OUR OWN CORRESPONDENT

SALISBURY, Sept. 7.

SUPPORTERS OF Mr. Joshua Nkomo, on the executive of Rhodesia's African National Council yesterday bitterly attacked the ANC's president, Bishop Abel Muzorewa.

A meeting here of 37, or just over half the 70 members of the ANC national executive, in an apparent move against Bishop Muzorewa's position, voted to hold a full national congress of the ANC on September 28 and 29. The national congress would have power to elect a new president.

A statement issued after the meeting accused Bishop Muzorewa of "usurping the power of the people" and denounced the formation in Lusaka of an external wing of the ANC, the Zimbabwe Liberation Council (ZLC), which is dominated by supporters of Mr. Nkomo's rival, the Rev. Ndabaningi Sithole.

Neither Bishop Muzorewa nor his vice-chairman, Dr. Elliot Gabellah, attended the meeting. The Bishop was in Europe on a fund-raising tour and Dr. Gabellah boycotted the meeting after declaring that it was unconstitutional.

The ANC has been torn by dissension since the formation of the ZLC, with Mr. Nkomo accusing the Rev. Sithole of trying to "hijack" the council.

To-day's meeting was the result of pressure by Mr. Nkomo's supporters who are trying to assert their authority within the council. No known supporters of the Rev. Sithole attended it.

A lengthy statement issued after the meeting strongly attacked Bishop Muzorewa, complaining that during his long absence from Rhodesia (he has temporarily based himself in the Zambian capital of Lusaka) he had ignored the organisation within the country and had tried to rule the council through an outside clique.

Events between now and the end of the month will decide whether a congress called by just over half of the national executive will actually have the power to establish a new leadership. One of the most important attitudes will be that of Zambia's President Kenneth Kaunda, who has outlawed both ZANU and ZAPU and regards the council as the only body negotiating on behalf of Rhodesian blacks.

Reuter reports from Lusaka: The Rev. Sithole said to-day's meeting in Salisbury only confirmed that Mr. Nkomo had made a secret deal with Rhodesian Prime Minister Ian Smith.

Asked if the outcome confirmed his previous charge of a secret agreement, Mr. Sithole said: "Yes, this does confirm my argument.

"Mr. Nkomo wants the Bishop to return to Rhodesia so that he is arrested and then he will have the field all to himself," Mr. Sithole said.

Chile not raising copper output

By Hugh O'Shaughnessy, Latin American Correspondent

SANTIAGO, Sept. 7.

CHILE IS not going to increase copper production to compensate for any shortfall in production in Zambia, said Sr. Andres Zauschquevich, vice-president of Codelco, the Chilean copper corporation, as reported in the Santiago daily El Mercurio.

"Copper is too cheap a product at the moment. The important thing for us now is to cut costs and improve productivity," he said. There is satisfaction here over the decision of the East Germans to buy 10,000 tons of copper as announced last week. In a move to centralise copper policy the four largest state mining companies have been amalgamated into Codelco, responsible for day-to-day production and sales, while investment and long-range strategy is under a Chilean copper commission.

Meanwhile preparations continue for the second anniversary celebrations of the coup d'etat against the Allende Government. On Thursday afternoon the President, General Pinochet, and his three colleagues of the military junta will light an eternal flame in the centre of the city symbolising Chilean liberty. The nightly curfew has been suspended for three days.

Italy has first trade surplus for three years

BY RUPERT CORNWELL

ROME, Sept. 7.

FOR THE first time in three years, Italy has reported a monthly surplus on its foreign trade. The news however is more a sign of the deep slump of industry than of any basic adjustment in the economy.

The July figures released this week-end by the national statistical agency Istat show imports at L2,096bn. (£1,480m.) and exports at L2.110bn. (£1.490m.), thus yielding a tiny surplus of L14bn. (£10m.).

For the first seven months of this year the overall trade deficit has been slashed by more than three quarters, to L1.049bn. from L4.527bn. in the same period of 1974, when the country was described as being on the brink of financial ruin.

Over the two years Italy's "oil" deficit has remained fairly steady but the improvement on the so-called "non-oil" account has been truly stupendous—from a shortfall of L1.809bn. between January and July 1974 into a surplus this year of L1,547bn., a swing of L3.356bn. or £2.4bn.

In July too the balance of payments is likely to have been in substantial surplus and the confidence of the central bank that this year's anticipated deficit of $2bn., or perhaps less, can be easily financed seems well placed.

However as other data from Istat underlines, the steady return to equilibrium of Italy's external accounts has been paid for very dearly. Industrial production was down 12.2 per cent. in the first half and at the start of Autumn scant sign exists of any recovery from the country's deepest post war recession.

The trade turnaround reflects above all a drop in imports, both in volume and, in the case of raw materials, in cost.

Bonn protests greet Muller

BONN, Sept. 7.

ANTI-APARTHEID demonstrators greeted the South African Foreign Minister, Dr. Hilgard Muller, with Nazi salutes when he arrived here to-day on an unofficial visit.

About 60 demonstrators were at the protest rally at Bonn's main railway station when Dr. Muller arrived from The Hague.

Despite the unofficial nature of Dr. Muller's visit, he will meet West German Foreign Minister Hans-Dietrich Genscher on Wednesday, to discuss among other things developments in Rhodesia. Reuter

Middle East oil output down 14%

BEIRUT, Sept. 7.

MIDDLE EAST oil production in the first half of 1975 dropped 14 per cent. over last year reflecting softening demand in the West, according to the Middle East Economic Survey (MEES).

The big production drops came in high-producing Gulf countries such as Saudi Arabia, Iran and Kuwait, MEES said. The top producers, Saudia Arabia, turned out 6.6m. barrels a day in the first half of this year against 8.1m. in 1974, a drop of 19 per cent., MEES said in a production chart.

Iran dropped 12 per cent. from 6.2m. barrels a day to 5.4m. while Kuwait cut back 27 per cent. from 2.6m. barrels to a day to 1.9m., MEES added.

The largest proportional cuts came in Libya, where production slumped 41 per cent.—from 1.9m. barrels a day in the first half of 1974 to 1.2m. in the first half of this year.

Iraq, which is trying to finance ambitious development plans expected to cost more than $30bn. over the next five years, was a notable exception to the general decline.

Its production rose 14 per cent. from 1.8m. barrels a day in the first half of 1974 to 2.1m. this year, MEES reported.

In Cairo, meanwhile, officials said that the return of the Abu Rudeis oil fields in Sinai within eight weeks will provide Egypt with enough oil to become an exporting country.

Mr. Mustafayel Ayouti, general manager of the Egyptian General Petroleum Corporation, said current domestic consumption is 8 to 10m. tons of crude oil a year. With Abu Rudeis back, the total will reach 17m. tons, allowing Egypt to export 7m. tons a year.

He said the Abu Rudeis fields include 20 offshore wells and 100 in the desert that produce 80,000 to 100,000 barrels of crude daily valued at $300m. a year.

The oil fields, captured by Israel during the 1967 war, are to be returned to Egypt under the new Sinai settlement which Israel signed in Geneva on Thursday. Israel must return the fields in eight weeks with facilities intact, the agreement says.
AP-DJ

Sudanese forces hunt for opponents of Nimairi

BY OUR OWN CORRESPONDENT

KHARTOUM, Sept. 7.

A LARGE-scale security operation was mounted at Khartoum university and in other parts of the city to-day as police and security forces hunted for opponents of President Jafaar Mohammed Nimairi's regime in the aftermath of Friday's attempted coup.

In addition to campus activists, forces were thought to be looking for three army officers involved in the coup, as well as about 30 political detainees released during the disturbances.

Political rallies are scheduled for to-morrow to celebrate the régime's success in defeating the second major coup during its six-year life. It withstood a Communist-led coup in 1971 after losing power for 72 hours.

Although the National Front, a loose political grouping which includes the right wing Muslim Brothers, the Communists and former politicians, has been blamed, along with the "foreign power," for the attempted coup, there is as yet no clear indication that the coup leaders were acting for anyone but themselves.

The officers leading the revolt were all drawn from the traditionally fierce Nuba ethnic group. Coups plotted and foiled in Sudan's recent history have often had ethnic or regional bias. Too much weight cannot be attached to the broadcast which the coup leader, Col. Hassan Hussein Osman, made after the seizure of the radio station, since he is reported to have lost his notes shortly before going on the air.

Irrespective of who was behind the coup attempt the position of President Nimairi seems likely to be strengthened since the revolt gives the security forces the opportunity to crack down on opposition from all political quarters.

Now that more details of the events of Friday are beginning to emerge there are conflicting reports on whether President Nimairi was himself taken prisoner by the dissidents, which was firmly reported at the time. It is known however that a group of ministers was held at the airport and later released.

Indonesia stages Timor troops alert

JAKARTA, Sept. 7.

INDONESIAN TROOPS along the border with Portuguese Timor were put on full alert to-day, according to informed sources, as one of the main independence groups established positions closer to Indonesian West Timor.

The sources said Indonesia may have to consider making pre-emptive strikes against positions manned by members of Fretlin (the Front for an Independent East Timor) if they continued to advance towards the border. They said Indonesian warships were patrolling the Timor coastline.

Officials in Jakarta have made it clear that Indonesia would not tolerate the colony falling into pro-Communist hands or the leftist-inclined Fretilin. One of the groups involved in the civil war, Apodeti, wants Timor aligned with Indonesia.

In Darwin, moves towards a negotiated peace over the civil strife in Portuguese Timor gathered momentum this week-end with observers suggesting the Portuguese enclave of Macao on the Chinese mainland, as a venue for talks.
Reuter

Swiss 'favour IMF gold move'

By John Wicks

ZURICH, Sept. 7.

SWITZERLAND is likely to agree with the International Monetary Fund on the divestment of part of central banks' gold holdings, according to a statement made to Swiss correspondents in Washington by Dr. Fritz Leutwiler, president of the National Bank. This approval, however, would depend on the Fund's gold programme being "sufficiently flexible," such as would allow Switzerland to undertake certain gold transactions in the interest of its export trade.

Since Switzerland is only an observer, and not a fund member, it can only discuss the questions at the next meeting in Basle of the Bank for International Settlements. The matter will be dealt with first by the National Bank directorate and the Federal Council.

Leutwiler, who expressed his personal opinion that the Fund's policy was positive in that it broke an old taboo, said the Washington decision was of political importance for Switzerland. He stressed, however, that a rejection of the agreement was politically quite possible should Swiss monetary independence appear jeopardised and its economic interests affected. The IMF agreement would have little meaning without Swiss approval.

The Executive's World : The Office

EDITED BY JAMES ENSOR

Rank Xerox's new duplicator will force management to examine

The paper flow question

BY ROY LEVINE

RANK XEROX rolled out the red carpet at its offices at St. Paul's Church Yard in London last week for the Press launch of its Xerox 9200 duplicating system. After seeing a film and demonstrations of the system journalists were chauffeur-driven to the Savoy hotel for lunch.

This sumptuous style may conflict with the recent history of the group which has suffered from growing competition in the plain paper copier field, that it has dominated for so long. Earlier this year Xerox Corporation suffered a major downgrading on Wall Street when it announced a partial withdrawal from the computer market.

But many Xerox and Rank Xerox followers are pinning their hopes on the 9200. Together with the Xerox 800 to be launched later this month (one of the most advanced editing typewriting systems in the world) the profile of the group could be altered quite drastically. According to one stockbroker in the City, "The 9200 is likely to prove the most important single product launched by Rank Xerox in the seventies."

If expectations are anywhere near the truth, the 9200 could have quite an impact on how paper work is organised in the office. Paper flow has already become the nightmare for management services departments. The increasing number of white collar workers, accelerating pace of new legislation, reports and so on combined with the rapidly rising costs of paper have made the reproduction of information one of the costliest of business activities.

Indeed, excluding salaries and wages, a large proportion of office costs is accounted for by reprographic equipment of one type or another and much of that goes towards conventional copying hardware and supplies.

Offices throughout Europe spend over £½bn. a year duplicating information and more than twice that on copying machines. Rank Xerox is making a bid for a large slice of the market with its Xerox 9200 (left) against competition from Gestetner (middle) and Addressograph-Multigraph.

Penetration

Although the U.K. lags behind many Continental countries in the use of sophisticated office equipment to reduce manpower costs of handling the vast flows of paper, when it comes to copying and duplicating, the country has one of the highest penetrations. Almost every office with more than 20 workers has some kind of copying equipment.

Mackintosh Consultants has estimated that for every 1,000 office workers in the U.K. there are no fewer than 30 copiers. While that proportion is not expected to rise much during the rest of the decade; the replacement market is reckoned to be very large indeed. And the general trend will be for offices to upgrade their equipment to meet higher volumes of copying that will be demanded.

Already the installed base of copiers and duplicators is impressively large. Considering there are about 8½m. office workers in the U.K., the number of machines installed is somewhere around 255,000. That represents the underlying replacement market. Given the scope for the number of office workers to rise, there could be an installed base of around 325,000 by the end of the decade.

With the large range of copying and duplicating equipment on the market, ranging in price from around £60 for a basic desk-top dual-spectrum copier to over £12,000 for a high speed plain paper copier, the management of copying resources in a company can become quite a complex matter.

Not only will top management need to become more involved in costing this operation, it will also have to become involved in educating its staff about how best to use the facilities provided. This is not necessarily because the equipment itself is complicated (indeed, the 9200 is easy to operate) but because of the way that copying and duplicating equipment is often misused — a version of "Parkinson's Law": work expands to fill the time available. Or, more precisely, as more machines are installed, so more work is presented for copying or duplicating.

This human response needs to be monitored and controlled. Rank Xerox stresses that its in-depth surveys which will form a part of its marketing programme for the 9200 will examine not only the duplicating function at a firm but the whole paper flow procedures. This kind of approach is needed for any sizeable copying activity in an organisation.

Management may also need to upgrade the staff running the duplicating or printing function. Put crudely, blue collar workers may be replaced by white collar staff because the prime need is not technical skill but the talent to assess urgency and superfluousness of the workload and the tact to handle staff accordingly.

Even though it is possible to reduce wasteful operation, it may not be possible to reduce the inherent demand for copies of information. There is a recognised tendency for firms to produce in-house publications (like annual reports for employees) that inform staff about what is happening in the organisation.

This is one of the reasons that the size of the market is expected to grow even though it has become largely a replacement market. According to Mackintosh Consultants the annual value of the U.K. market is expected to grow from around £35m. a year to £40m. a year by the end of the decade.

When it comes to duplicating rather than copying—a quantitative difference—there are very few estimates of the U.K. market.

Stockbrokers Scott, Goff, Hancock and Company reckon the U.K. equipment market was about £9.1m. for offset litho and £3.9m. for spirit and stencil duplicators. The annual revenues generated (rental and usage costs) on a European basis are about £½bn. and perhaps twice as much on copiers.

Xerox 9200

The 9200 is aimed at the small offset market, particularly the in-house print rooms of large corporations which can afford the high costs of the system. Annual rental and usage costs start at £6,480 but will probably average around £10,000 a year, depending of course on the volume usage.

The main attraction of the system is the convenience it provides although the company asserts it can be cost justified, (probably most efficiently at volumes of between 150,000 to 400,000 copies a month). It does not provide colour duplicating and is not really appropriate for long runs.

The main productivity gains in using the 9200 will come from the fact that at the end of the fast process of duplicating the system automatically collates and assembles multi-page documents in each of the 50 bins in the sorter module—a facility not even provided in the 3600 and 7000 Rank Xerox models.

The initial placements of the system in the U.S. have been quite slow. One year after the 9200 was announced in the U.S. Xerox Corporation has produced less than 1,000 machines and sold perhaps 600 or 700. According to one estimate, orders are now running well ahead of production and by the end of 1976 there could be about 9,000 machines installed.

In the Rank Xerox territories (which exclude the Americas and Japan) a similar but smaller rate of placements could develop. During 1975-76 there could be about 750 placements of the system rising to around 2,000 in the following year and then more than doubling each year for the foreseeable future.

These estimates depend of course on how quickly the U.K. and other countries come out of the recession. But if that rate of growth does materialise then Rank Xerox could be generating annual revenues of around £60m. by 1977-78.

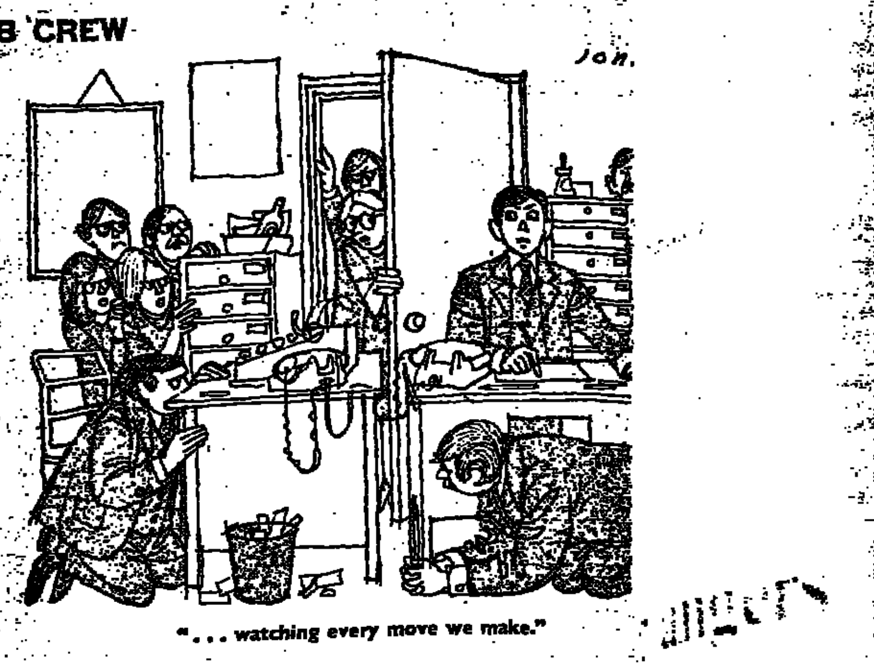
Hence start-up costs for the system could be recovered rather quickly. Research and development expenditures over the 10-year period that the system was developed have not been divulged. But it is estimated that initial marketing costs (over £50m. in the U.S.) are over £20m. for Rank Xerox.

In the meantime, its competitors will be watching. Response so far has been cautious and competitors have pointed out that the grandiose claims made for the machine still need to be proven over a period of a few years. The 9200 is likely to have more of an impact of the total copy systems being marketed by Addressograph-Multigraph and A. B. Dick (in the U.S.). Gestetner's exposure is less because of its concentration in low cost machines.

But no firm will miss the impact. The offset market may begin to feel the impact in about three years' time. By then the low volume offset machines may be forced to move down-market in much the same way as the coated paper copiers are beginning to compete with the cheaper dual spectrum machines to-day.

Beware office assassins

BY BOB CREW



". . . watching every move we make."

AN ENGINEERING COMPANY in the Midlands sacks an executive for persistently wearing suede shoes when asked repeatedly not to do so by his managing director who objects to suede on grounds of its being slovenly and prefers to uphold a corporate image with approved leather shoes. An electronics company in London gets rid of a senior executive, after many years distinguished service, because it suspects that he is a homosexual whose boy-friends call for him at the office at the end of a working day. A young woman, in her late twenties, employed as a clerk in the offices of a west country wholesale company, is instantly dismissed without notice for openly talking about her permissive sex life and of an affair she is having with a teenage boy. Her High Court appeal—against the decision of a labour tribunal that her dismissal was justified—is turned down by a judge who finds that she was not improperly or unfairly dismissed because, in his view, knowledge of her private sex life was distasteful to the other young women inside her office who could not, therefore, accept and respect her as their senior, or work with her without tension.

Survival

In our working lives we are all dependent upon the goodwill and objective thinking of others for our survival. If we do not get that, then our jobs are at risk—regardless of how good we are at them—and we cannot co-exist peacefully. Because people have so many prejudices and complexes, objective thinking and goodwill are often hard to come by when they are most needed, and such a precarious situation is ripe for exploitation by office politicians and assassins who only need to manipulate human weaknesses and prejudices in order to get rid of those they don't like. Most offices have their assassins. They are the people who put the knife in when your back is turned, either because they want your job, or because they don't like you.

We are vulnerable because we all have human weaknesses which we are supposed to put behind us and leave at home when we enter our office, but are often regarded as intolerable by many managements inside it. It is these weaknesses which give us away to our potential assassins who are watching every move that we make, looking for a chink in our armour, waiting for the best time to pounce. The best time is often deemed to be when we are away on holiday or a business trip. Our absence from the office gives the assassin a free hand to fix everything for a swift and conclusive assassination upon our return, for which we are unprepared.

Commenting on employees in Britain who get the push—in theory for being no good at their jobs when, in reality, they are being assassinated for purely personal or office-political reasons — Mr. Joshua Fox, a consultant psychologist with Career Analysts of London, says that a lot of good people go down the drain for reasons quite unconnected with their work performance or ability. In some cases they don't fit in because their colleagues are too snobbish, jealous, envious, narrow-minded, prejudiced, intolerant or insecure to co-exist with them. In other cases they are the victims of highly political or plainly bigoted or paranoid vendettas. In either event, they get the push not because there was anything wrong with them, but rather because there was something wrong with everyone else.

The human weaknesses that make us so vulnerable to assassination are well known, yet they are hardly ever, if at all, acknowledged in personnel literature or booklets on company policy because we find it hard, not to say painful, to talk about them openly and without malice.

Mr. Fox talks of an accountant, with a big accountancy firm, who is an enthusiastic rock climber in his spare time and is, therefore, often talking with great enthusiasm about his exploits. Because his work-colleagues do not share his enthusiasm for rock climbing they are jealous and resentful of his apparent ability to enjoy his weekends while they take work home without thought of enjoyment or alternative interests to book-keeping. So they conclude that their rock-climbing colleague isn't cut out for their world and gang up on him in order to give him the push which, eventually, they succeed in doing.

A chemist, working for a large chemical company, is fired because his employers only ever see him at work. While he keeps good time in the office, he fails to do so out of it at social gatherings in the evenings where his absenteeism is frowned upon. He is sacked on grounds of being snooty, indifferent, a poor mixer and clearly not the kind of executive the others can be expected to work with or customers can be expected to do business with!

A keen young executive—bristling with management know-how and all the latest marketing jargon, techniques and theories from America—gets on the wrong side of his colleagues and employers in a North-country engineering firm where they don't like too many big words or "all this foreign stuff" about management by objectives! He is fired for being what the Americans would call an "over achiever."

In most offices, however enlightened they think they are, there are usually a number of unspoken dos and don'ts for employees to observe if they are to survive. The dangerous and deceptive thing about these do and don'ts is that they are unspoken, almost as if they were there to trap you! Short of making a personal check list of things to watch out for, it is impossible always to be on your guard against assassination whenever you get on the wrong side of popular prejudice, or when you find yourself in competition with someone else for promotion.

Damages

When a 31-year-old sales manager at Xerox was caught in an act of sexual "misconduct" with a young woman on a beach, he was fired for conduct unbefitting the dignity of one in his position. But he did not go quietly. On the contrary, he sued his ex-employers for breach of contract and damages arising from mental and emotional stress caused by his unfair dismissal—to the tune of £400,000!

The sales manager—Mr. Stuart Brauer—claimed that, at Xerox, salesmen and bosses were having orgies with the opposite sex all the time—particularly at regular sales training courses organised by a company in Florida. Ac... to Brauer—whose case ... being heard at the time ... ing—girl chasing by X... the United States is "b... as usual" and his di... simply for doing what his and work-colleagues do ... time, was a frame-up to ... of him spuriously—an assassination par exc... Xerox denies his allegat... that he was the victim ... office assassination.

Clearly, sex is one ... weakness in particula... renders us especially vul... to office politicians and ... sins. While the randy ... lecher may be dismisse... joke by all—of no conse... to the company and, in ... therefore, to assassinatio... clean-cut corporate wond... for whom there are great ... will be easy meat to an a... if it should be discovere... he frequents notorious ... sexual clubs, brothels, or ... clubs.

Whether we work for ... small companies, the p... (and the challenge) is th... —how to anticipate and ... modate to the prejudic... will of others, how to c... mise with others and ... porate/company machine ... out being emasculated, ... cope with the unspoken d... don'ts as and when we di... them and about which we ... very probably not told ... time of our appointment ... to tolerate other people's ... nesses and individual taste ... styles, how to live and le... while continuing to ... If we fail to solve this pr... then all it takes is for the ... assassin to put the pois... for someone and that hoa... chestnut of popular pre... will do the rest.

Avoiding office equipment traps

BY ROY LEVINE

JOB ENRICHMENT is often cited as one of the advantages of installing the latest office equipment. But in many cases this is a trap which management falls into too easily.

It is perhaps a sign of our age that people get very excited about the latest equipment. After all, the new work processes it involves; the higher capital budgets, the spa kling new vernacular all add to the status of a job. This is especially true in the U.S. and Germany—countries where businessmen have high status in society and like to reflect that status in the office environments.

It is becoming recognised that the increasingly sophisticated office equipment basically divides office staff into two categories—those who become more creative and those whose jobs are further bogged down by more routine work.

Perhaps the important thing is to ensure as far as is possible that the right kind of office people are doing the appropriate kind of work.

When office routines require a high degree of vigilance then the staff is not able to switch off. "It is like putting somone in a cage and then having a long discussion about the colour of the bars," is the way that Michael Cooley puts it.

Mr. Cooley is a senior design engineer in the aerospace industry and is a past president of the AUEW technical and supervisory section. He is concerned that with the increasing tendency to automate the office using sophisticated equipment, humans are being subordinated to machines. Although this is not a new theme, it is becoming more important in offices as mini and microprocessors, word processing machines, terminals, VDUs and so on are taking over manual jobs.

Michael Cooley has not worked out any solutions for management but his warning that management should heed the danger signs should at least be discussed. "The nature of work is being dictated by requirements of machines, rather than vice versa," he says.

He warns particularly against the increasing tendency for management to assess the efficacy of new equipme... the basis of increasing work for staff operating machines. Given a ... obsolescence, manag... might be under pressu... exploit machines to the ... despite the general app... staff for shorter working and more leisure time.

For the time being ... unemployment has mute... call for more leisure time ... the overall problem of humanising work as mac... become more sophisticated ... tinues. It will be one of ... major topics to be discuss... Paris later this month at a ... vention of SICOB, the ... data processing and office eq... ment exhibition.

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LABOUR NEWS

Reid backed by Scanlon for AUEW executive

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

HUGH SCANLON, ...sident of the Amalgamated ...ion of Engineering Workers, added his support to the ...t-wing campaign for the ...ction next month of Mr. ...mmy Reid, the Communist who ... the Upper Clyde Ship...lders work-in, to the post of ...ecutive member for Scotland ...d North-West Scotland.

Mr. Scanlon, in an unusual per...nal intervention at the week...d, told a big meeting of ...gineering union members in ...asgow that it would be a "...agedy" if Mr. Reid did not ...n the post. He asked them to ...dicate themselves to Mr. Reid's ...ction.

But in doing so he was strongly ...ticised by Mr. Tam Dalyell, the ...bour MP for West Lothian, who ...mmented yesterday: "How does a man who will be putting his card for a million odd votes into the Labour Party conference balloting system time and again at Blackpool in three weeks, justify urging his members to vote against an active Labour trade unionist like Gavin Laird?"

Opponent

Mr. Dalyell, told a meeting in Livingston, West Lothian: "Fortunately influential AUEW members in West Lothian have told me they intend to try to persuade their colleagues to vote for the excellent work of Gavin Laird rather than the media-inspired glamour of Jimmy Reid."

The executive position became vacant recently when Mr. John Boyd, the Right-winger who had held it for about 20 years, was elected general secretary of the union. The postal ballot among the 140,000 members in the two regions will be conducted between October 3 and 23, and the result is likely to be declared in November.

Mr. Laird, who for three years has been the union's Scottish and North-West of England organiser is Mr. Reid's only opponent in the contest. He is generally regarded as a moderate who sees the trade unions' role primarily as economic rather than political.

Mr. Laird is widely considered to be the favourite in the election, though his chances will undoubtedly be impaired by the huge personal publicity which has come close to making Mr. Reid a household name in the four years since he leapt to prominence as spokesman for the UCS workers and subsequently as Rector of Glasgow University.

This is the first time that Mr. Reid, a former Scottish secretary of the Communist Party, has run for full-time office in the AUEW. He is presently a shop steward at Marathon Shipbuilders, the American builders of oil drilling rigs, which bought the Clydebank yard of UCS after the group went into liquidation.

He has fought five general elections as a Communist candidate, the most successful in February last year when he came third in Labour's Dunbarton Central seat with 5,928 votes.

£3.60 offer angers clothing workers

BY ROY ROGERS, LABOUR CORRESPONDENT

...ION LEADERS, pressing for ... a week increases for about ...,000 clothing workers, are ...gry at plans by the industry's ...ployers to implement pay ...es of £3.60 which they have ...sistently rejected.

Mr. Jack MacGoughan, general ...retary of the National Union ... Tailors and Garment Workers ...d a member of the TUC ...neral council, was adamant ...t night that his union had not ...epted the £3.60 offer.

...quiry rejected

He had told the employers— ... Clothing Manufacturers' ...deration—and his members ...t payment of the £3.60 in a ...tnight "in no way precludes ... from pursuing our claim ...ough whatever channels we ...nk appropriate."

Details of the industry's pay ...uation have been passed by ... union to the Advisory, ...nciliation and Arbitration Ser...e to see whether they can find ...way out of the deadlock. This ...s suggested by the Department ... Employment which has turned down the union's request for a Government inquiry.

The industry's pay problems underline the different interpretations of the £6 pay policy, employers supporting the Government line that the £6 is a maximum which some industries cannot afford, and the union backing the TUC's insistence on £6 increases for everyone as an entitlement.

The employers have maintained throughout long negotiations that the clothing industry cannot afford to pay more than £3.60 and although £2.40 rises were paid under an interim cost-of-living deal in April, the employers have not brought these into the argument.

Union negotiators are hoping that a recent deal, giving increases to members employed in the Burton-Jackson tailoring group equivalent to the full £6 a week, will have some effect on the national negotiations.

The Burton-Jackson agreement involves £3.60 increases from September 22, and a further £1.40 from January 19, when a sick pay scheme is also to be introduced.

Leyland dispute may prolong shutdown

BY OUR LABOUR CORRESPONDENT

...ITISH LEYLAND'S five Lanca...ire truck and bus plants, which ...gin their annual autumn week...ng shutdown to-day, may re...ain closed indefinitely if the ...,000 workers carry out their ...reat to strike from next Mon...y over the Government's in...tence that a pay agreement ... trimmed in line with its £6 a ...ek limit on pay increases.

Two hours of talks between ...al union leaders and Mr. ...bert Booth, Minister of State ... Employment, on Friday failed ... resolve the issue. When the ...rkers return next Monday ...ey may be faced with the deci...n of backing down or proceed...g with their threatened strike.

The 9,000 workers at the ...eston, Chorley and Leyland plants have been banning overtime and working to rule for the past two weeks. They plan to intensify this action to a full stoppage unless the company honours an agreement including increases of up to £6.50 a week plus lump sum payments of £52 due from next Monday.

They say that part of the agreement is left over from last year's negotiations and is in return for further rationalisation of the plants' pay structure which has seen the number of grades reduced from 170 to seven over the past year.

For this reason they feel that their agreement does not breach the Government's £6 limit although the Government remains convinced that it does.

TENNIS BY JOHN BARRETT

Miss Evert takes U.S. title at last

NEW YORK, Sept. 7.

...TER FOUR previous failures ... the semi-finals of the U.S. ...en Championships Chris ...ert, the 20-year-old tennis ...tronome from Fort Lauder...e, Florida, has at last won ... own national title.

...n an absorbing duel that ...ted two minutes short of two ...urs her greater consistency ...d weight of shot earned the ... seed a 5—7, 6—4, 6—2 ...tory over the No. 4 seed, ...stralia's Evonne Cawley. It ...n her $25,000 and brought her ...son's total to a record ...0,927.

This was Mrs. Cawley's third ...nsecutive failure in the final, ... the quality of her perform...ce in defeat, until her game ...l apart in the sixth game of ... final set, confirms that even ... slow courts she is now con...idating her abundant talent.

When Mrs. Cawley won the ...ening set with a glorious ...ss-court backhand pass, it ...med distinctly likely she ...ght even win. So beautifully ...s she playing that the long ...lies often of 20 strokes or ...re were cleaning the lines and ...pening the corners of the ...urt.

No one, it seemed, could ...ssibly sustain such a pace, but ...en the Australian broke serve ... the opening game of the ...ond set anything seemed ...sible.

Here we saw the genius of ...ss Evert, who, with the true ...r of a natural competitor in ... moment of crisis of the ...ond set, simply raised the ...e of her shots to stretch Mrs. ...wley beyond her magnificent ...its. One break of serve in ... tenth game brought her ...el.

The first four games of the ...l set went against service. ... imperceptibly Miss Evert ...an to impose herself and ...ldenly, with Mrs. Cawley ...ving to wipe out a 3—2 Evert ...d, the Australian's concentra...n snapped. She surrendered that games to 15 and lost her next serve by the same margin to lose the match.

The run of five games had given Miss Evert her twelfth win in 21 matches against Mrs. Cawley, and stamped her as a champion of rare class.

Earlier, the men's favourite, champion Jimmy Connors had beaten Sweden's teenage hero Bjorn Borg 7—5, 7—5, 7—5. The match lasted two and three-quarter hours, and although it was a contest of character it never reached the heights of skill that we have seen from both. There were too many errors, and the most one can say is that the champion was quite uncompromising in the way he always strove for the forceful winner.

No revenge

From the way Guillermo Vilas (Argentina) won the opening two sets 6—4, 6—2 against Manuel Orantes (Spain) it seemed he was about to exact revenge for three defeats this year. Even when Orantes, scurrying around the court to chase the fierce top-spin shots of his opponent, had taken the third set 6—2, to end Vilas' run at five straight-set victories, he was still very much on the receiving end.

A 5—0 lead to Vilas was no surprise, and semi-final victory seemed a mere formality. But holding five match-points, three on his own serve in the sixth game, and two more on the Orantes serve in the seventh game, was as close as he got.

Orantes surged back against a tiring opponent to win the fourth set 7—5, and at the end of a gruelling 3 hours and 49 minutes, the final one 6—4.

The match ended at 10.28 p.m., giving Orantes a mere 14 hours before his final with Connors. This, surely, is sufficient condemnation of a schedule that depends on the wishes of television and has deprived the Spaniard of any real chance of victory.

America's 'Sleeping Beauties' wake up to corporate reality

From MAURICE IRVINE, Los Angeles correspondent

THE AMERICAN executive wife, that long-neglected buttress of the business world, is coming out of the closet. Like Prince Hal upon becoming Henry IV, she is saying, "Presume not that I am the thing I was!"

And what exactly was she? A survey of 50 major U.S. companies taken a couple of years back showed that, in male eyes at least, she had to be gracious, accommodating, co-operative, and "not too intelligent." Or, in the briefer words of an executive at a Californian management symposium, "She stays slim and doesn't nag."

Most executive wives still suffer from what feminists sometimes call the Sleeping Beauty Syndrome. They work hard, they're loyal, they don't make waves. They define their lives around a man. But more and more of them to-day are waking up to a new reality. "They are asking, 'What's the purpose of life? Is it just to spread butter on bread?'" says a leading California social worker.

Even the wife of America's chief executive is breaking the mould. Mrs. Betty Ford may be gracious, but in permitting herself controversial opinions on marijuana, abortion, pre-marital sex, opinions not wholly shared by the man in the White House, she has upset a lot of people.

In this International Women's Year, declared by the United Nations, the plight of the corporation wife is earning some attention. In the past, says Mr. James Hayes, of the American Management Association, business has had a complete blind spot for this very large and significant segment of the U.S. population.

By ignoring wives, says Hayes, American corporations may be helping to fulfil Karl Marx's prophecy that capitalism would dig its own grave. Because so much is demanded of them, and so little either in cash or kind given in return, mothers may be contributing to the already widespread anti-business sentiment among the young, "by consciously or unwittingly raising their children with negative feelings about business."

After all, Hayes adds, it's the wife who is in daily contact with the growing children, it's she who usually determines their attitude to Dad. To-day's younger executive wife is often educated and has probably enjoyed a brief career of her own. She's a freer creature, and if she becomes thwarted and unhappy over the sacrifices she must make in the cause of her husband's promotion, won't this rub off on the kids? It's time, he says, that corporations did something about "this time-bomb ticking at the fireside."

In the year which has passed since Dr. Seidenberg wrote a book called *Corporate Wives—Corporate Casualties?*, then went on a national lecture tour to promote it, he has received hundreds of letters from executive wives around the country expressing thanks, describing their own experiences, telling him how startled the writers were to learn that others shared their distress, that they weren't, as one put it, "a lonely woman going quietly nuts."

A basic cause of the problem, according to Seidenberg, is the exceptional mobility of the U.S. corporate executive. In 25 years of marriage, a woman may move more than a dozen times as her husband is transferred from post to post through the company structure. For the man, this means promotion, challenge, adventure.

For the wife, things may be quite the opposite. Some welcome the change of city at first, says Seidenberg, but after the first half-dozen moves they begin to pay the price. They have left behind friends, familiar surroundings, the groups they belonged to, the charitable organisations they worked for. They cannot transfer a reputation as a hostess or a fund-raiser. They must start again from scratch.

These constant uprootings—IBM, among its employees is said to stand for I've Been Moved—also affect young children. A girl may be torn away from her first boy-friend. A boy doing well on his high school football team may suddenly have all his success taken away from him. Some children, by the time they reach 16, have attended eight or nine defferent schools. Some sociologists believe it's a contributing factor to the recent rise of alcoholism among U.S. teenagers.

When he first started out in practice, Seidenberg says, he concluded that troubled wives were sick people, perhaps suffering from childhood traumas. But so many came to him that he began to recognise a pattern, linked to their social circumstances. "Now I believe my profession has wronged these women grievously, by confirming their feelings of inferiority, calling them weak if they didn't want to move, blaming the menopause—anything rather than the social cause."

One symptom of this growing discontent in recent years has been an epidemic of runaway wives. More married women than ever before are reversing the old patern in which the man left home, like Mr. Polly, to "find" himself.

Many top corporate wives, of course, would not agree with Dr. Seidenberg's views. They sharply deny that they have submerged their personalities in their husbands', and argue that charity work, fund-raising for the arts, for cancer research, children's homes, etc., is as fulfilling as any other career.

At present, the one significant piece of attention a corporation wife gets is when she is screened, along with her husband, before he is hired. ("Too many careers have been ruined by the wrong sort of wife," an L.A. executive confided.) The AMA's Mr. Hayes advises that wives be given "tangible evidence" of appreciation for a job well done.

Mr. Hayes also suggests that firms finance higher education for wives, and pay for child care while they're in class; or that they give the wife life insurance as recognition of her value to the company.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● DATA PROCESSING

U.K. designs for point of sale

ORDERS exceeding £500,000 have been received by Real Time Control of Watford for its cash and carry warehouse control system.

This was jointly developed by RTC and Nurdin and Peacock, one of Britain's largest cash and carry wholesalers and will have taken over 1½ years of development between its inception and the first installation, scheduled for early 1976.

A fully integrated warehouse control system has been sought by the British and European cash and carry industry for several years but the lack of a suitably designed and reliable product has prohibited significant advances.

The new system, first operated in a small scale controlled environment in April, has demonstrated that it is especially suited to the practical needs of warehouse management: security and information collection. Data General has been chosen as the supplier of the minicomputer used by RTC to control: checkout points, cash collection, warehouse stocks, goods inwards and goods labelling.

Specially designed products from several British manufacturers, including RTC, are incorporated in the system and patent applications have been made.

Interest shown by other cash and carry firms initially indicates that, because of similar requirements, other EEC markets could be substantial, providing valuable exports for Britain.

The first installation will be at Nurdin and Peacock's Reading warehouse early next year. The warehouse, at 90,000 square feet is one of N and P's largest in both size and product range. At present, the branch uses 11 checkouts with conventional electronic cash registers but the benefits and speed of the new system are such that only eight new style checkouts are planned, even allowing for the branch business to continue its present rate of growth.

Two centralised cash collection points using high speed printers for producing invoices will allow customers to complete their transactions more quickly. At goods inwards, a label production station incorporating multiple label printers connected directly to the central computer will allow staff to verify label requests against purchase order information as goods are received and moved into the main warehouse area.

At the checkout positions, prices may be automatically retrieved, or if keyed from the label, will be automatically checked as correct as the customers pass through. All aspects of customer transactions are shown on a newly designed and unique display, visible to both customer and staff. The manager will be able to control and monitor the operation and performance of the warehouse through his console. The central computer contains the information required by all operating stations and every transaction, from the production of a label to the collection of a customer's money, is logged to a magnetic tape for later sales and stock analysis and management information.

The system is so designed that developments such as laser beam scanners, universal product codes and so on can easily be incorporated as they become of relevance to the industry. Throughout the development, emphasis has been placed on equipment reliability with well proven products and utilisation of the latest electronic technology.

RTC is at Kebbell House, Carpenders Park, Watford, Herts. WD1 5BE. (01-428 0088).

● METALWORKING

Laser and electron beam advice

BOC INDUSTRIAL Power Beams combines the operations of Industrial Laser Systems (ILS), Daventry and Industrial Electron Beams (IEB), Crawley, Sussex.

Power Beams Group, with its headquarters at the Daventry site, will be unique in Europe in bringing together skills in the theory, applied technology and engineering of both laser and electron beam systems. It will undertake application studies, economic appraisals, manufacture and installation of machines and systems using high-energy beams up to any power rating, allied to any work-handling arrangements, including those incorporating numerical or computer control.

Economies

With few exceptions, optimum economies by using high-energy beams are achieved by designing components specifically for manufacture by these techniques. The Power Beams group offers a consultancy service on production design considerations related to its entire range of processes.

Laser equipment currently produced by BOC includes a 2 kilowatt CO_2 system, the most powerful of its kind available in Europe, adaptable to welding or cutting operations; a profile cutting machine controlled by an optical line-following device; resistor trimming systems, ranging from a manually operated machine to a computer controlled installation and a diamond and gemstone drilling machine.

Electron beam products include electron beam guns up to a rating of 150 kilovolts; a single-station machine for component welding; a multi-station machine for mass production welding and purpose-designed welding machines. One of these, for repair and renovation of aircraft parts, has a chamber large enough to accommodate a mini car.

Further information from Daventry (03272) 4813.

Speeds the boring operation

BORING BAR and adaptor blanks are available within six to eight weeks in the three most demanded 150 taper shank sizes from the Birmingham Tool and Gauge Company.

Manufactured to match the 150 30, 40 and 50 standard shank sizes, the blanks are available in two-and-half inch to six inch diameter and from six inch to twelve inches long.

This "greenstock" blank service will be of particular interest to manufacturers urgently requiring special purpose boring bars or tool holders. The final finishing of these blanks is normally undertaken by the purchaser's own toolroom, although if required, BTG will rework the blank to meet exact specifications.

Reduced tooling costs and speed are the principal benefits of this facility. Running parallel with BTG's existing ranges of drilling, boring, reaming and cartridge systems the blank service extends the company's activities into new areas of growth opened up by the introduction and acceptance of 150 taper sockets on modern boring machines.

Birmingham Tool and Gauge Company, Unit 6, Gravelly Industrial Park, Birmingham, B24 8HY. 021-328 1214.

● COMPONENTS

Hungarian transducer agreement

HIGH PRECISION load cells developed at the Central Measurement and Research Laboratory in Hungary are becoming available from Euromatic Instruments under an agreement reached with the Hungarian trading agency.

Available for tension, compression and combined applications, the cells are made in 50 versions covering maximum force ratings from one to 100,000kg force. The standard accuracy is 0.1 per cent. but this can be optionally improved to 0.05 per cent.

The cells are automatically temperature compensated between −20 and +50 deg. C, are corrosion resistant and hermetically sealed for use in almost any environment.

Construction is such that only the required force is measured, irrespective of other near-coincident forces which might otherwise mask the reading. The electrical output can be used with suitable amplifiers and circuits to provide either a direct display in any desired units or a control signal for a system. More from Euromatic at Cross Lances Road, Hounslow, Middx. (01-570 7774).

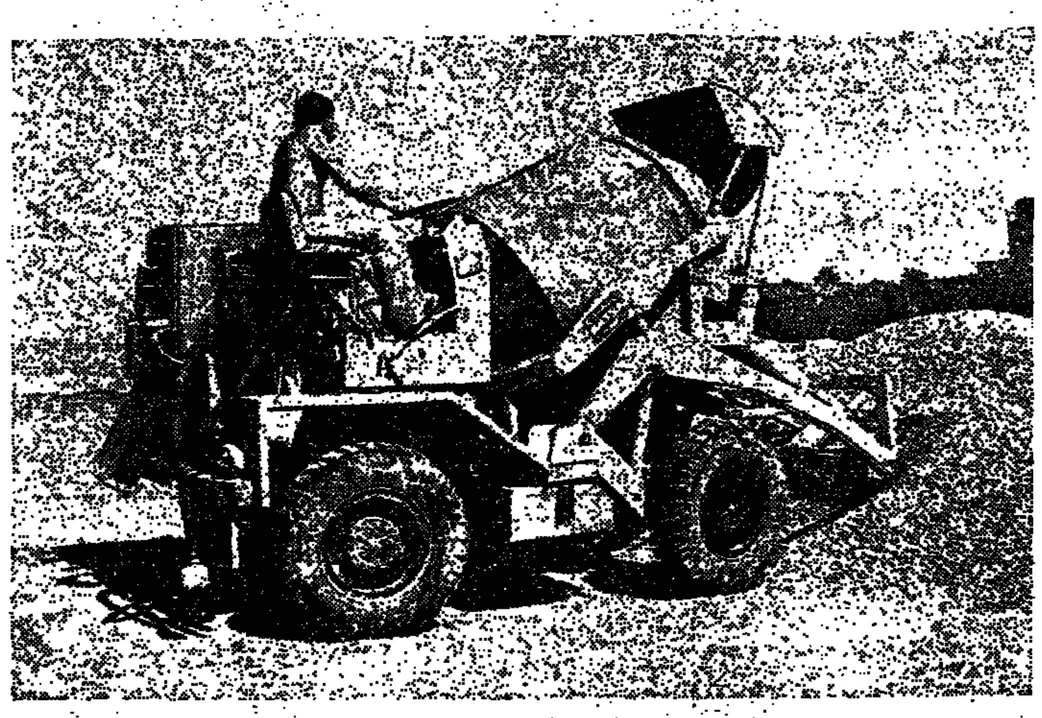
Megabit board

BASED ON its charge-coupled device work, Intel has introduced a one Megabit memory board which is available in the U.K. as part of a total memory system.

Designated the "in-65," the new memory system is designed to provide a cheaper, faster, and more reliable alternative to drum, fixed head, and head per track disc systems, especially when the total memory requirement is under 10m. bits. As there are no moving parts, the device is particularly suitable for mobile applications.

The complete memory system comprises three boards: the memory unit itself, a control unit and a buffer unit. With a total capacity of 1,179,648 bits, the memory unit may be organised in 128K words by 8 or 9 bits. The system may be expanded by combining memory boards. If the application demands merely an increase in storage capacity, the additional memory units may be purchased separately.

Intel Corporation (U.K.), Broadfield House, 4, Between Towns Road, Cowley, Oxford, OX4 3NB. (0865 771431.)



Said to save a contractor 25 per cent. on mixing and distribution costs of concrete, this is the Carman Orml B2700 self-loading concrete mixer, made in Italy and marketed by Metaquip, Blandford Forum, Dorset. The machine mixes on the move, and can deliver 10 cu. metres of concrete an hour when working within a 50-metre radius of the batching area. Powered by a 47-bhp diesel engine, its four-wheel drive will cope with a 35-deg. gradient. Drum capacity is 2.15 cu. metres. It has a 450-litre water tank. The three-way discharge chute can be used through 180 deg. and the driver's seat and controls are reversible.

● HANDLING

Segmented conveyor belt

USING HYTREL, a polyester elastomer made by Du Pont, a new type of segmented conveyor belt has been developed by Skega AB, a Swedish rubber processor. The injection moulded segments are identical with those made by the company for snow-scooter tracks.

First of the new conveyors has been installed in the company's factory to replace conventional cooling racks for hot vulcanised rubber. Instead of passing through a water-bath cooling rack, the rubber strip is fed from the mixing mills on to the conveyor, which carries it in an overhead channel where water sprays cool it and fans dry it. A similar conveyor returns it to a collector tray adjacent to the mixing mill.

Compared with the conventional cooling trays, the advantages claimed are that the conveyor is more reliable, needs less maintenance, and, since it runs overhead, releases valuable floor space normally used by the cooling baths.

Each segment has drain holes and a raised grid pattern for grip. The thermoplastic rubber is said to have high rigidity and low creep, so that the belt remains tight for long periods, even after prolonged use at temperatures up to 125 deg. C. Should it stretch, a segment can be removed by taking out link pins.

Skega AB, which is at S-930 40 Ersmark, Sweden, says that the conveyor should be applicable to other industries.

Pneumatic leak test for drums

TIME-CONSUMING drying operations normally required after the leak testing of 40-50 gallon drums can be eliminated, it is claimed, by using an electro-pneumatic test unit called the Detectaleak.

It tests new and used drums on a 45-seconds cycle, and checks for leaks by air pressurisation of the drum interior at 5 psi pressure.

Basically, the unit has a drum loading base and a leak test seal system mounted on a cantilever arm. The test seal is carried on a vertical cylinder and engages the head bung or, in the case of body-bung drums, the drain bung of the drum under test. A check on unit operation, prior to drum testing, can be made using a pivoting test chamber which is hinge-mounted to the unit frame.

For leak testing, a drum is positioned on the loading base with the aid of location stops and rotated on rollers until the bung is in line with the test seal. Operation of a switch on the control panel will cause the seal to descend and enter the bung; then compressed air is introduced into the drum through the hollow seal spindle.

When an internal pressure of 5 psi is attained, the system timer is activated automatically. On completion of the pre-set leak test period, the condition of the tested drum is indicated by illuminating buttons giving a green "accept" or a red "reject" signal.

The unit has an overall height of 60 inches and requires a floor space of 30 inches by 30 inches. The drum handling height from floor to loading base is 2 inches. It is made by Caldwell Burner Developments, Laund Works, St. Lawrence Street, Great Harwood, near Blackburn, Lancs. (Great Harwood 885257).

● PROCESSING

Reforming thermostat materials

TECHNIQUES FOR localised reforming of thermosetting moulding materials after moulding—a process regarded as unworkable—are being jointly developed by BXL Thermosetting Division and Dawe Instruments.

Using Dawe ultrasonic welding machinery and several grades of BXL's Bakelite moulding materials, their collaborative work has shown that it is possible to place inserts into mouldings, carry out limited riveting operations, and form threads in mouldings by driving in small screws.

The companies say that this work provides possibilities for the use of different assembly and manufacturing methods, enabling mouldings to be made at the higher rates possible with injection moulding machines with, for example, placing of inserts on the finishing lines.

So far, most of the development has concentrated on placing inserts in thermostats. Although good pull-out strengths have now been achieved, both companies consider that further work is required to obtain optimum results. Several parameters affect the result—design of insert; type of moulding material; interference between insert and moulding, etc. More work is planned.

● CONFERENCES

Physical metallurgy discussions

TO MARK the centenary of the birth of Walter Rosenhain (1875-1934) an international conference is being held to consider how physical metallurgy has contributed to engineering practices.

It has been organised by the National Physical Laboratory in co-operation with the Metals Society and the Royal Society, and will take place at NPL and the Royal Society's headquarters in Carlton House Terrace, September 22-24. Rosenhain is considered to be a man who bridged the gap between metallurgy and engineering—he worked at NPL for 26 years.

Aspects of engineering to be considered include bridges, line-pipe, offshore structures, airframe structures and gas turbines. A definition of engineering needs and how these relate to material characteristics will be followed by a discussion of how successful metallurgical development has been in satisfying demands made on material suppliers.

There will also be a discussion on the implication for physical metallurgy and for the education and training of metallurgists. The five sessions will be addressed by leading authorities in the field.

Details from Dr. D. E. Miles, NPL, Teddington, Middx.

Practical use of fluidics

SEVENTH Cranfield Fluidics Conference organised by BHRA Fluid Engineering will be held November 12-14 in Stuttgart, German Federal Republic. Main theme of the meeting will be "Fluidics in Practical Use." There will be some 43 papers presented by speakers from 17 countries.

A mini-exhibition will be run in conjunction with the conference to enable industry to show some of the latest components, and applications, of fluidics.

Details from BHRA Fluid Engineering, Cranfield, Bedford. (0234 750422).

● ELECTRONICS

Verifying complex assemblies

DIGITAL assembly-tester ... can perform pass/fail te[sts on] complex assemblies in a [matter] of seconds and pinpoint ... components in an average ... minutes is being market[ed by] Hughes Aircraft Com[pany] ground systems group, Ful[lerton,] California.

A credit card data stora[ge] reader system, pre[viously] employed only in the b[anking] and security fields, is ... the unusual features of th[e] ...

Test programs are dev[eloped] on a detachable progra[mming] panel and stored on "... card" size plastic card[s with] magnetic tape attached. ... programming panel in c[onjunc]tion with the basic teste[r pro]vides a low cost means o[f deve]loping test programs with[out the] need for peripheral ha[rdware] and/or software.

To round out the ... (HC-192), Hughes offers ... plete package of suppo[rt ser]vices including trainir[ng,] operation, maintenance, a[nd pro]gramming—test program [deve]lopment service—and p[ost] start-up consultation ser[vices].

More information from H[ughes] Aircraft Company, Groun[d Sys]tems Group, PO Box ..., Fullerton, California.

● TRANSPORT

Traction control trial

MORE EFFECTIVE re[genera]tive braking and more e[fficient] application of driving pow[er are] claimed for two pieces of ... ment made by Klepe E... and now undergoing tri[als by] London Transport executi[ve on] a Circle Line train.

One of these is a des[ign of] camshaft/contactor unit ... the conventional step-... movement when the driv[er com]mands a braking condit[ion is] replaced by a bar runnin[g the] full length of the ca[m] which trips the driving ... tors and lifts them off. ... frees the camshaft which ... rapidly back to the zer[o posi]tion for selection of the ... priate braking condition. ... claimed that braking selec[tion is] quieter and faster than no[w] possible.

The other unit is a co[ntrol] which looks at all com[mands] and signals—such as loa[d,] track conditions—and ... mands the drive system t[o give] the best possible perfor[mance]. For example, signals ... changing passenger load ... driver's controls are mon[itored] continuously and go out ... structions to the power ... troller. More from 91, C... Road, Uxbridge, Midd[x.] (Uxbridge 39548.)

CONTRACTS AND TENDERS

HONG KONG MASS TRANSIT RAILWAY

Pre-qualification of Contractors

TRACKWORK CONTRACT

Pre-qualification procedures for the first two groups of civil engineering contracts for the Hong Kong Mass Transit Railway have now been completed and tenders have already been invited for 12 contracts.

The trackwork contract is one of the third group of contracts and civil engineering contractors whose experience would be suitable for the laying of concrete trackbed and track in tunnels are invited to apply for registration for pre-qualification for the above contract, tenders for which will be invited late in 1975. It is anticipated that the contract will be let during 1976 and the laying of trackbed is planned to commence in January 1978.

The works in this contract comprise:

a. laying and finishing invert concrete to close tolerances to 16.6km of twin underground circular and rectangular tunnels and stations to form the trackbed;

b. laying of concrete trackbed on 2.7km of twin overhead structures and stations;

c. laying of 38.6km of continuously supported rail track and third rail conductor on the trackbed;

d. laying of 10km of ballasted track in the depot;

e. manufacturing and installing by specialist contractors of 100 sets of points and crossings.

Further information is available from:

Mass Transit Railway Provisional Authority, Hutchison House, 18th Floor, 10 Harcourt Road, Hong Kong

or

Freeman Fox & Partners, 25 Victoria Street (South Block) London SW1H 0EX England

This additional information describes the scope of the contract in more detail and gives full instructions to prospective tenderers on pre-qualification details to be submitted by contractors applying for registration on the list of tenderers. Applications should comply with these requirements and be submitted by 1st October 1975.

Norman Thompson
for Mass Transit Railway Provisional Authority

ARAB COMPANY FOR WOOD INDUSTRY, NATIONALIZED
P.O.B. 130, LATTAKIA, S.A.R.

No: 2590
Date: 24/8/75

ADVERTISEMENT OF INVITATION FOR TENDERS OF FOREIGN PRICES COVERING ABOUT 26,000 CM. OF AFRICAN LOGS

The Arab Company for Wood Industry, declares its interest to make an invitation for tenders covering about 26,000 CM of African Logs, fresh cut and good for the industry of Plywood, and chemically treated with insecticides against timber insects according to the following specification:

1) L.M. Classification 50% minimum A, and 35% maximum B, and 15% maximum C, of the following species:
About CM Sapelli 2000
CM Acajou 4000
CM Tiama 5000
CM Samba 8000
CM Kondroti 7000
2) Diameter from 70-120 cm. with 10% tolerance from 60 to 69 cm. Average 85 cms.
3) Lengths from 420 cm. and up. Average: 5.5 m.
4) Prices on the basis of C & F Liner Terms and FOB per cubic metre in French Francs only by means of a Proforma Invoice in eight copies.
5) The tenderer undertakes to accompany the goods with a Certificate emanating from an International Office for the Inspection of Timber to be named by Arab Company for Wood Industry, the expenses of which to be borne by the seller and shall be considered of the main documents required by the terms and conditions of the L/C.
6) The tenderer shall submit a 3% Guarantee of the tender value, to be confirmed by Commercial Bank of Syria, Lattakia and through the same Bankers. The said Guarantee shall be accompanied by the tender under reach of non-study of the tender in case it is not accompanied by the required guarantee. The said guarantee shall be turned into a final guarantee at confirmation and shall be considered a warranty for the Company to prevent the supplier breach the conditions of his tender, and later on, his agreement, and shall have the right to revert thereupon in case of breach.
7) The Arab Company for Wood Industry has the right to confirm the quantity which it deems suitable for it and in accordance with the tenders received having filled the conditions required, and the tenderer shall have the right to tender for a part of the goods.
8) The tenderer shall declare the number of shipments and shipment dates, and the Company shall have the right to fix what is suitable to it, noting that the Company prefers that the consignment of the quantities to be effected in four partial shipments:
1st. shipment: during the 1st. quarter of the year 1976.
2nd. shipment: during the 2nd quarter of the year 1976.
3rd. shipment: during the 3rd. quarter of the year 1976.
4th. shipment: during the 4th. quarter of the year 1976.
9) The Company shall have the right to send its delegates to inspect the shipment of goods and to verify their specifications before shipment and to supervise the selection operation in case the competent Authorities agree thereupon. In case the delegation goes, the verification of logs and the legalisation of same shall be effected by it and the buyer shall have no right to object against it.
10) Any dispute arising therefrom, Syrian jurisdiction to be referee.
11) Tenders to be submitted in a sealed envelope until the end of Office Hours on 16.10.75 and the envelope should bear the following: "TENDER FOR RAW LOGS FOR THE YEAR 1976."

General Manager
Shehab Maarouf Badr.

THE HASHEMITE KINGDOM OF JORDAN
JORDAN ELECTRICITY AUTHORITY
Diesel Generating Plant for new Karak Power Station
Specification Reference: JEA 3430 01-K48/75

The Jordan Electricity Authority announce that the Tender closing date for the New Karak Power Station Project has been extended from the 22nd September to the 15th October, 1975.

Any further information may be obtained from Preece, Cardew and Rider, Paston House, 165-167, Preston Road, Brighton BN1 6AF, the Consulting Engineers to the Jordan Electricity Authority for this project.

UNITED ARAB EMIRATES

TENDER No. E7/75

VHF Communications Systems

Tenders are invited by the Ministry of Electricity and Water for the proposed communications systems (Point to Point and mobile VHF radio installations) in the northern Emirates. Tenderers are invited to survey the area and submit tenders which must be received by 17.00 hours on 2nd November 1975.

Conditions:

1. Each tender fee is Dhs 100.00 and is not refundable.
2. Prospective tenderers should apply to the Ministry's offices in Dubai or Abu Dhabi during normal office hours.
3. Each tender must be supported by a Bank Guarantee for 5% of the total Tender sum which will be increased to 10% by way of a Performance Bond for the successful Tenderer for the full period of the Contract.
4. Bank cheques, even if approved, are not acceptable.
5. Three copies of each offer shall be submitted in a plain sealed envelope addressed to:
His Excellency the Chairman
The Permanent Committee for Projects
Ministry of Planning
PO Box 2847
Abu Dhabi, United Arab Emirates
6. Each envelope must be endorsed with the Designation Tender No. E7/75. The Tenderer's name shall not appear on the envelope.

This notice is complementary to the details given in the official Specification and in no way modifies the details contained therein.

SAID IBRAHIM DARWISH,
Deputy Minister.

REPUBLIQUE ALGERIENNE DEMOCRATIQUE AND POPULAIRE
MINISTERE DE L'INDUSTRIE & DE L'ENERGIE
Société Nationale de l'Electricité et du Gaz
"SONELGAZ"

International Invitation to Tender

An international tender has been launched for the supply of:

50 (fifty) mobile transmission cabins each one as follows:

—10 KV overhead
—10 KV underground
—30 KV overhead
—30 KV underground

Companies wishing to tender can obtain the technical specifications documents from:

SONELGAZ
Department Approvisionnement
2 boulevard Salah
BOUAKOUIR-ALGIERS (Algeria)

Tenders should be sent in a double sealed envelope before September 30, 1975, the outside envelope marked:

"NE PAS OUVRIR"—"NOT TO BE OPENED"
A.O. n° B/10.164 GA.A
Supply of mobile cabins

PLANT & MACHINERY SALES

Description	Price	Telep[hone]
Case 580B Loader Excavator, worked under 400 hours, in as-new condition	£4,650	Nin... (0424) 8...
Nu-Way HG.300 Heater	£2,000 o.n.o.	01-253 ...
Reconditioned Modern Rolling Mills, Wire Drawing Plant, Slitting, Levelling, Cut-to-Length Equipment, Furnace and extrusion facilities	P.O.A.	021-556 ...
Wanted Used Storage Tanks surplus to requirements	P.O.A.	0742-2...
1973 Newall SA Cylindrical Grinders—High Speed 12" x 36" Angle Head. Plunge up to 10" wide with copy. Completely equipped.	From £15,000	02092-4...
Rubber Processing Plant, Mixers, Mills, Calenders, etc.	P.O.A.	061-339 2...
N.C. Flexowriters for Punching N.C. Programme Tapes—Rebuilt with 2 year Guarantee—Save up to 50%	Prices from £895-£1,350	Dudley (03... 57...
Bigwood 16" x 0.049". Cut to length and Forming Line	P.O.A.	0742-26311 Ext. ... Telex 54...
B & W Y.1000—Water Cooled 1000 cfm Air Compressor	£6,250 + VAT	as abo[ve]
5 Ton O.H.T. Crane 37' span motorised 400/3/50. Cab control. Must sell.	Offers over £500	Horley (029... 5522 Ext. ...
2 Ton Ditto. 42' span	Offers over £400	as abo[ve]
1 Ton Motorised Hoist Block 400/3/50	Offers over £50	as abo[ve]
Continuous mixing plants by Gardner with pneumatic weigher by Darenth. Feed screw conveyors. Output up to 25 tonnes per hour. Console controlled by single operator. New 1971	P.O.A.	06284-715... Telex: 9239...
Plastic or rubber Vickers Transfermix E150, new 1971. Complete with 250 hp Thyristor drives (2 off)	£15,000 each	06284-715... Telex: 9239...
Fork Lifts Fully Renewed, large selection, 6 months warranty	P.O.A.	01-572 34...
Storage Tanks for sale, new and used. 2,000/12,000 gallons, one 60,000 gallon sectional	P.O.A.	0742-2662... Mr. Mackenzi[e]

IF YOU HAVE PLANT AND MACHINERY SURPLUS TO YOUR REQUIREMENTS, AND WOULD LIKE TO ADVERTISE IN THIS COLUMN, PLEASE TELEPHONE MR. FRANCIS PHILLIPS ON 01-236 0108.

هكذا من الأصل

Building and Civil Engineering

Cubitts awarded £9.3m. contract in Nigeria

. CONTRACT worth more than 9.3m. has been awarded to ubitts Nigeria by the Nigerian 'ederal Ministry of Transport or reconstruction of the Maiduuri Airport, 9 km. west of the own.

In order to accommodate inreasing Boeing 707 traffic, ubitts is providing new airport acilities, adjacent runway areas, axiways, a new apron and erminal area. The contract also ntails installation of improved irport lighting, signs and markigs.

This order involves some illion cubic metres of earthioving while an approximate 00.000 tons of stone, quarried cally, will be required. acilities will include a central inway—40 metres wide, 2,800 ietres long—with a reinforced increte apron for scheduled ircraft.

Cubitts will also be preparing ie areas for future building tes, including a new terminal uilding with the provision of cess roads, taxiways and subdiary runways.

With a start to the contract eing made in October of this ear Cubitts are expected to omplete in two years time

3m. awards o Fram Gerrard

EVEN contracts totalling early £3m. have been awarded the Fram Gerrard (East nglia) Division of Leonard airclough.

Heading the list are two major hemes; a new secondary school Stoke Park, Ipswich (£901,650) varded by Suffolk County Counl and a new fire brigade headarters at Hutton, Essex 806,306).

Other contracts include 71 ouses at Sidegate Lane for swich Borough Council £558,838), 32 dwellings at Bramrd Road, Ipswich, for the rwell Housing Association £304,526), a further phase of ie John Howard School, lackney, for the Inner London ducation Authority (£136,578), xtensions to the St. Albans oman Catholic School, Ipswich £125,829) and the automatic elephone exchange, Hadleigh, uffolk, for the Post Office £116,620).

More work given to Finnegan

PA FINNEGAN has been warded a £1m. contract by the Trent Regional Health Authority for the construction of a 56-bed geriatric unit with rehabilitation facilities and an out-patients department at Nether Edge Hospital, Sheffield.

Finnegan recently started work on a £2.8m. contract to erect 287 Frameform houses at Southfields for Northampton Development Corporation. Other contract awards include an £814,009 housing contract for Medway District Council.

University research complex

A £1m. laboratory and research complex at Heriot-Watt University, Edinburgh, is to be built by the Bovis Scottish construction company, Gilbert Ash Scotland, for Syntex Pharmaceuticals.

The buildings will consist of a 450 square metres single-storey administration block, a 606 square metres single-storey pharmaceutical block and a 1740 square metres two-storey toxicology/pharmaceutical block. Site works include landscaping, roadworks, drainage and main services.

Architects, consulting engineers and quantity surveyors are Reiach Hall Blyth Partnership of Edinburgh.

Wastes can contribute to rates

MIXED municipal waste has a calorific value of better than one-third that of coal—and costs what it takes to collect it. Estimates are that a Local Authority could earn itself about £200,000 a year by the sale of useful heat/steam, using 100 tons per day of refuse burnt in pollution-free plant.

With fuel costs unlikely to level out for some time, there is every reason for municipalities and large hospitals to use their wastes as "free" fuel since the old objections to the size, appearance and environmental effects of incineration plants have been overcome according to Robert Jenkins Systems.

This company's design of incineration equipment is based on a "building block" able to operate in its own right but easily doubled or trebled to cope with larger amounts than the basic unit can handle.

Each unit approximates to one ton of waste consumed per hour and on an assumed utilisation cycle of two eight-hour shifts a day a typical plant would burn 50 tons/day needing a single operative per shift to load, process, de-ash and maintain, and leaving a comparatively small amount of sterile infill to be transported elsewhere.

Most of the controls function under automatic sequences so that the operation has been deskilled.

Incineration takes place in a starved air environment within a grateless refractory-lined combustion chamber. Waste is heated initially after introduction to 800 degrees C by a small auxiliary burner. Once this heat level is reached, the reaction becomes autothermic for normal municipal waste.

Pyrolysis carried out in this way means that the waste decomposes under quiescent conditions. No large volumes of fast-moving air induce violent motion of ash and gas and no particles are carried over.

Partial combustion gases pass to an after-burner where air is added and the temperature allowed to rise to a maximum of 1,200 degrees. Discharge of gas is at 800 degrees and there are controls throughout to keep operating temperatures within the selected limits.

Further details on this patented system, which can be closely matched to most requirements, from the company at Wortley Road, Rotherham, Yorks S61 1LT. Rotherham 79140.

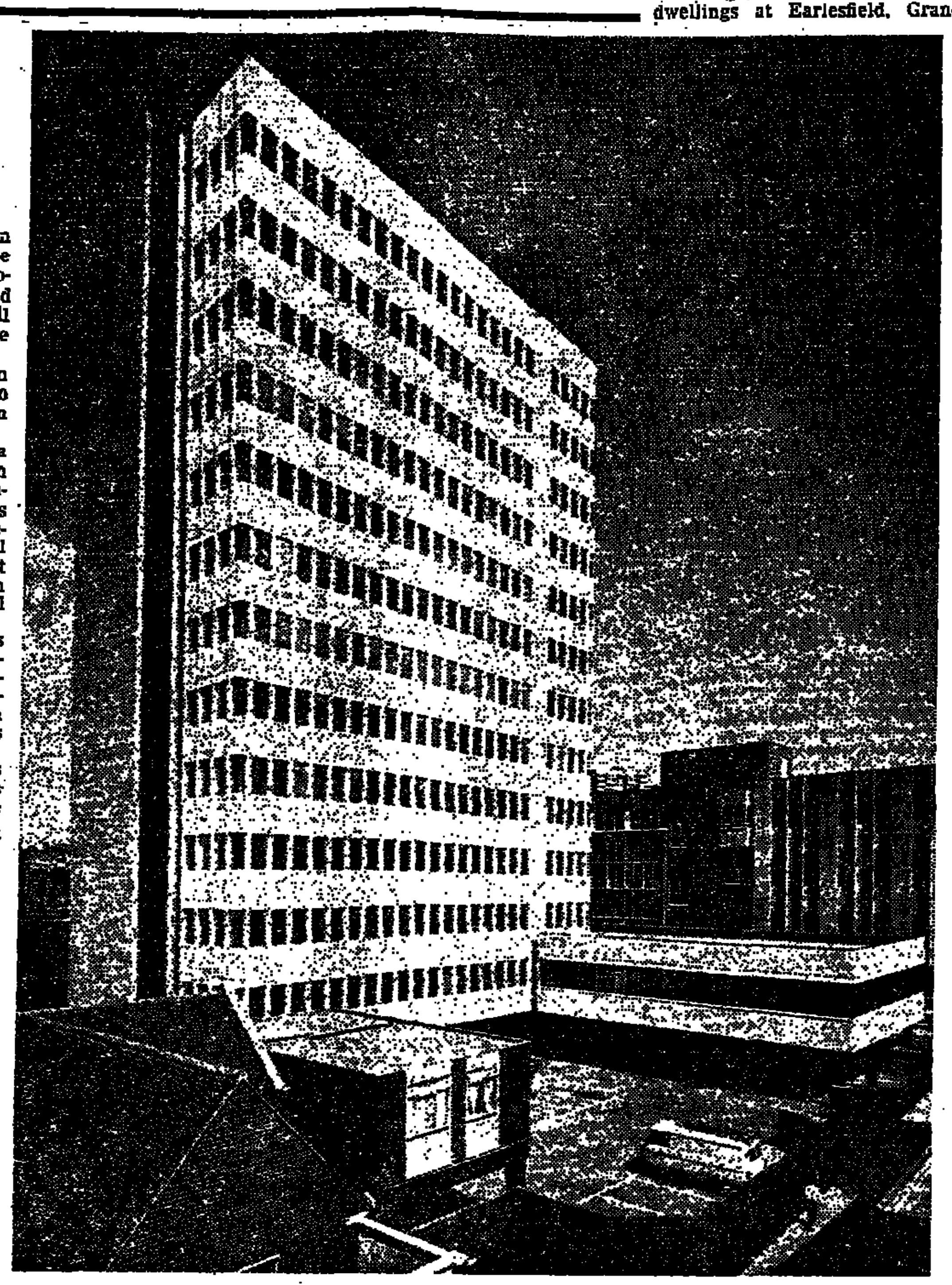
Variety of jobs for Bettles

BETTLES, the main trading company of the Westcombe Construction Group has been awarded nearly £2m. worth of building work.

In Northamptonshire, the County Council has ordered work to commence on the new sports hall at Rushden, valued at £230,000, and work will soon start on a £120,000 community hall for the Co-operative Society in Northampton.

In Peterborough, the Cambridgeshire County Council has awarded the company the Bretton Woods Comprehensive School (£450,000) and work has already started on a £150,000 flats development for the Nene Housing Society.

The Property Services Agency of the Department of the Environment has also placed orders worth about £900,000 for work at RAF Waddington, Lincolnshire; RAF Alconbury and RAF Brampton in Cambridgeshire.



Bridge House, a £1½m. 13-storey, fully air conditioned office building in Bridge Street, Walsall, Staffs., has just been completed for Montague Burton Property Investments by Taylor Woodrow Construction. The 11-storey tower block of offices surmounts a two-storey podium containing offices, showrooms and street-level parking for 51 vehicles. Total floor area is about 9,000 square metres. Architects and quantity surveyors are Crouch Butler Savage Associates and the structural engineers White Young and Partners.

£3¾m. jobs for Pumfrey

SEVERAL contracts, mostly for homes, have been won by Pumfrey Construction. Total value is about £3¾m.

Three of the contracts are for South Kesteven District Council. The largest of these is for 181 dwellings at Earlesfield, Grantham, and calls for the construction of 71 two-storey houses, 110 flats in ten three-storey blocks of nine, four two-storey blocks of four, and two two-storey blocks of two together with external works.

The houses will be built in traditional construction with the flats in similar construction but with pre-cast concrete beam first and second floors.

Architects are Kelham and Hart of Stamford and quantity surveyors Burt and Ballard of Leicester. Contract value is £1m.

The second largest contract (£910,000) is for 90 dwellings also at Earlesfield and is for 114 three-bedroomed houses together with garages and external works. Architects are D. B. Lawrence and Associates of Sleaford and quantity surveyors are Herbert J. Turner of Grantham.

The third contract is for 50 dwellings at Gonerby near Grantham at a value of £470,000. Architects here are William Saunders and Partners of Newark.

Work has just started on extensions to Stamford Fane County Secondary School for Lincolnshire County Council (£390,000), and on offices for the Ministry of Agriculture, Fisheries and Food at Nettleham Road, Lincoln (£540,000).

Industrial fresh air supply

CLEAN, DRY filtered air to instrument specifications can be obtained in laboratory, factory or hospital using the Wilkerson range of Dew-Rite air preparation units available from Bridon Air Treatment, P.O. Box 4, Leighton Buzzard, Beds LU7 7LJ (05253 75416).

Air enters on one side of the cabinet and passes through a 5 micron filter which separates and drains solids and bulk liquids. In the low pressure version (up to 30 psi and 4 cu ft/min.) the flow continues through another filter which removes virtually all particulates down to 0.03 microns.

The dew point of the air is then lowered in a heat exchanger before being passed through a vortex cooler which divides the flow into hot and cold airstreams. The cold stream returns through the heat exchanger while the hot stream is used to re-heat the outlet air to near ambient temperature. Surplus air is exhausted and outlet pressure is regulated by a pressure reducing valve.

Versions are available for pressures up to 125 psi and 20 cu ft/min., omitting the second filter.

Approach to the Humber Bridge

A £3m. contract for the Humber Bridge north approach road, has been awarded to A. F. Budge (Contractors) by the Humber Bridge Board.

The road will leave the A63 by a roundabout 8 km. west of Kingston-upon-Hull. It will be 1 km. long of which ½ km. is to be dual carriageway, then spreading out to 10 carriageways to form the toll plaza. The road continues on a viaduct to join the north anchorage.

Three concrete structures are included in the works. A three-span reinforced concrete slab bridge will carry the approach road over Ferriby Road, this bridge widening from 40 metres wide to 52 metres wide at the southern end. There will also be a 106-metre long concrete viaduct cast in situ with four spans, and a reinforced concrete services subway will run beneath the toll plaza.

The work includes a steel canopy over the toll plaza, together with a water main and a rising main.

Incorporated with the toll plaza will be two car parks and two lorry parks together with a viewing point.

About 300,000 cubic metres of bulk fill is required beneath the approach road and the access roads.

Consulting engineers are Freeman Fox and Partners of London.

Housing job for Wimpey

NOTTINGHAM city corporation has awarded a contract for the construction of 380 dwellings at Clifton Lane, Nottingham, to George Wimpey.

The contract is worth about £3.4m. and includes external works, roads and sewers and two communal areas for aged and disabled persons.

Work has begun and is due for completion by August, 1977.

Quick-built schools

NEW CONCEPTS in building design of nursery schools have had significant success with London and Surrey education authorities.

Evolved from a study of educational needs and architectural and building techniques, MACE nursery units have been adopted as additions to 28 primary schools. The nurseries are permanent, quick and economical to build, and make full use of industrialised building components.

MACE stands for Metropolitan Architectural Consortium for Education, an association of local education authorities in Greater London and Surrey which, by buying on a consortium basis, has been able to keep building costs competitive.

Ten MACE nurseries have so far been built in Surrey, Hillingdon, Bexley and Uxbridge. First reports show that both staff and children are favourably impressed by the light and airy concept.

Four different sized units are available with eight internal layout variations, all designed around a metric module. Costs range from £16,000 for a 20 place unit to £36,000 for a 60 place unit with completion in 10-14 weeks.

Built on a concrete foundation, the nursery structure comprises a steel frame and roof with walls of non-rot glass reinforced plastic, and aluminium windows. Maintenance work is kept to a minimum.

Homes for 200 in Bristol

IN THE St. Werburghs district of the St. Paul's area, Bristol, John Laing Construction is to build six two-storey blocks providing 36 one-bedroom flats for old people, and four four-storey blocks providing 32 two-bedroom maisonettes for families of four. Work has started and is due for completion in 12 months.

Awarded by the City Council, the contract is worth £600,000, and includes a launderette linking two blocks of flats, site works and paving for a children's playground in the middle of the 2½ acre site, roadworks and perimeter car parking for 57 vehicles screened from the gardens by red brick walls, and drainage.

Architects are Miles, Wills and Partners and quantity surveyors are R. E. Moughton and Partners, both of Bristol.

Irrigation project in Sudan

TENDERS for about 580 buildings required in connection with a big irrigation project are being sought by the Rahad Corporation of Sudan.

The buildings, which are required for completion between December 1976, and May 1979, are to be located over 200 km. south east of Khartoum in largely undeveloped country east of the River Rahad.

Sir M. MacDonald and Partners are consultants for the project which will eventually lead to the irrigation of 120,000 hectares of land. The project involves a major pumping station, supply canal and a barrage on the River Rahad.

High output airless spray

TO TACKLE internal and external coatings on hulls, tanks, pipes, constructional steelwork, bridges, and other high surface area painting work, Spray Finishing Systems, Hampden Park, Eastbourne, Sussex BN22 9AE, has introduced a heavy duty, high output, portable airless spray unit.

Fluid pressure ratio is 40:1 and continuous output rating is 2.75 gal/min (intermittent 3.92 gal/min). Maximum material pressure is 4000 psi, and the unit requires a compressed air supply (max. 100 psi) to a ¼ in. BSP male connection.

A low cycling rate (18/gal) enables the unit to handle solventless high viscosity materials such as coal tar epoxy.

Home work for Mowlem

TWO HOUSING contracts have been awarded to Mowlem by the City of Birmingham Council. Together worth over £1m., one uses the NFBTE system builder's prize-winning Mowlem system housing, the other traditional methods.

Work has started on the contract (using the Mowlem system housing) valued at over £513,000 for 64 dwellings and garages sited at Boulton, Birmingham, completion of which is due in the autumn of 1976. The contract follows on from an earlier contract at Boulton awarded for 208 dwellings, a social centre and 54 garages built by similar methods and valued at £1,658,000 which is just being completed.

The second contract, on which work has also commenced is at Bartley Green. Valued at more than £443,000 the contract entails the building of 47 dwellings, an amenity room and 23 garages, and is due to be completed in the autumn of 1976.

Progressing on sewage plant

TAYLOR WOODROW Construction (Northern) has been awarded a contract worth about £900,000 by the North West Water Authority Ribble Division for the second phase of the scheme for Martholme Sewage Treatment Works, Mill Lane, Great Harwood, near Blackburn, Lancs.

Work involved includes construction and commissioning of two pairs of surface aeration tanks, open channels, associated pipework and a temporary structure to house electrical switchgear. Completion is due in the spring of 1977.

Consulting engineers are L. G. Mouchel and Partners.

IN BRIEF

- Sigmund Pulsometer Pumps is to supply six sea water lift pumps for two of the platforms in the Ninian field, under a £600,000 contract placed on behalf of the Ninian Group.
- A £2m. Manchester City Council contract for a new departmental building at the local polytechnic's faculty of art and design has been awarded to John Laing Construction.
- A contract valued at £389,269 has been awarded to Mears Construction by the Wirral Borough Council for extensions and alterations to Bromborough Secondary School.
- Alexander Hall and Son (Builders) a member of Aberdeen Construction Group has been awarded a £650,000 contract for the erection of an 11-storey block by Aberdeen District Council.
- Costain Homes is to build 101 dwellings for Yeovil District Council at Thorne Park, Thorne Lane, Yeovil. The contract is worth over £1m.
- The Institution of Structural Engineers has arranged a one-day symposium at the Café Royal, London, on Thursday, September 25, 1975, when the now-available draft BSI Code of Practice on Falsework will be explained and open to discussion.
- David Charles Construction (Midlands) has completed a £140,000 office development in Cambridge for Cheffins Grain and Chalk.

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Toronto: 235 Ont., 6 Charles St. E. 416 921 8575
Jo'burg: 411 Sanlam Building, Commissioner Street P.O. Box 2128 838-7809
Sydney: 364 Sussex Street (Cnr. Liverpool Street). Box 3888 GPO 2001 Tel: 619 517, 618 773
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Tel: 241 2920

MONDAY, SEPTEMBER 8, 1975

Cease-fire in doubt

THE PAST fortnight's renewed upsurge in violence, both in London and in Ulster, throws grave doubt on the Government's unwritten, unspoken agreement with the Irish Republican Army "Provisionals." Ever since the cease-fire that followed the Christmas bomb attacks on the British mainland the policy of Mr. Merlyn Rees, Secretary of State for Northern Ireland, has been to bring about a gradual end to internment, step by step in return for extensions of the "peace." At the same time hopes of an eventual political solution have rested in the thorny preparations for a presumed eventual agreement by the specially elected convention. This policy could work while the level of violence seemed to be diminishing: now that it is on the increase again the prospects are poor—even though at the week-end the para-military chieftains told the politicians (including the Rev. Ian Paisley) to keep negotiating.

Sectarian

In his statement on Friday evening Mr. Rees said that there had been a switch in Ulster itself from bombings to sectarian killings and groups feuding among themselves. But only a few hours before he spoke two people were killed and many more injured in a bomb blast at the Hilton Hotel in London. It is the political implications of this kind of atrocity on the mainland that now have to be faced. One reaction is easily predicted. As Mr. Rees put it: "There are those who say to us, 'Get out and let them get on with it.'" This strand of opinion has been voiced in several places in London and elsewhere in recent weeks, and it is a familiar one in the long and troubled history of British attempts to bring peace to Ireland. The temptation has to be rejected, partly because, as Mr. Rees warned, "this would simply be a sentence of death for large numbers of people," and partly for the very practical reason that a British withdrawal might not be possible: there is no guarantee that an Irish civil war would not be reflected in strife on the streets of Glasgow, Liverpool and elsewhere.

In any event, there is no real evidence that bombing in British cities leads to widespread public demands for an end to the Northern Ireland involvement. The contrary is more probably true: people react with a sense of anger, and determination that the murderers shall be brought to book. If the bombing goes on, therefore, Mr. Rees and the entire Government will find that there is considerable pressure on them to crack down hard on those responsible, as well as anyone who might have control or influence over the gangsters themselves. The IRA "Provos" disclaim responsibility, but whether what they say is true or not, most people in Britain believe that those to blame for the outrages are at the least Irishmen (or women) of Provo persuasion. If the Provos cannot control their own dissidents, then the cease-fire cannot last.

Murders

Mr. Rees has reminded us that the sectarian murders inside Ulster itself have been carried out "by a small number of people with a small number of weapons" and that each side has taken about the same number of casualties. The Protestant para-military forces are plainly as much to blame for murders there as are those on the other side. Yet the effect on British political opinion is not modified by considerations of which sect harbours which particular killer. The demand is to stop them all, and particularly to stop the mindless bombers who murder totally unconnected outsiders. It is this demand that may soon assume proportions that will make it impossible for Mr. Rees to maintain his policy: sending in a few more troops and closing certain border crossings will not be regarded as a sufficient response.

Pressure on local spending

IT IS NOW invariably the custom when Ministers call for a reduction in the planned growth of public spending for local authorities to ask for detailed guidance, service by service, outlining how the cutbacks might be achieved so that at least part of the blame for the repercussions upon individual services which might otherwise be laid at the door of town and county halls is shouldered by the Government. The reception accorded to the Ministerial circular to local authorities last week could therefore be regarded by them as something of a success in public relations terms. But the plain fact is that the reduced standards, tighter staffing ratios and higher bus and Underground fares the circular describes, stem only in part from the public spending cuts which the Chancellor announced earlier in the year.

Over target

These were designed to scale down the growth "ceiling" for local authority current expenditure in 1976-77 from an increase of just over 3 per cent. in real terms to one of 1½ per cent. But it has since become evident that the whole of next year's increase and probably a bit more besides will have been absorbed by an overrun this year. At the present stage, the outturn is expected to be a full 2 per cent. above the 4.8 per cent. growth target set during the last rate support grant settlement, a figure which both sides thought would be sufficient to allow for "inescapable ongoing commitments." Nor is this the only occasion on which this has happened. As the Chancellor has recently reminded local authorities, the budgeted rate of increase has been exceeded in each of the last three years by amounts ranging between a third and a half.

The deceleration which the Government is now requesting will in consequence be much sharper—from a 9-10 per cent. real growth rate to nil in two years — and the repercussions upon local services much greater than might otherwise have been the case. Because of population changes and because of the forward revenue implications of capital expenditure, which has recently been at record levels, many authorities will be able to hold level their overall current spending only by lowering standards and reducing staff—which may not be easily achieved in present circumstances by relying upon natural wastage alone.

Nor is it just a matter of tightening belts for one year. The Government has now acknowledged that the growth in public spending envisaged in the last Public Expenditure White Paper was unrealistic and it has warned local authorities that further substantial economies will have to be made in the years after 1976-77. It is in this respect that local authorities have a legitimate cause for complaint. Because the full financial effects of policy decisions—and not only those involving substantial capital expenditure — may not be felt for two, three or even five years ahead, many more councils nowadays engage in forward planning, particularly financial planning, yet the Government has chosen not to reveal its new public expenditure targets for 1977-78 and subsequent years until the next Public Expenditure White Paper appears at the end of the year. Even then, it will not be easy for the 521 local authorities to translate the White Paper's figures into terms that are relevant to their own particular circumstances.

New burdens

It would also help if the Government were itself to exercise restraint in the additional responsibilities it imposes upon local authorities. Ministers can hardly expect local councils to respond willingly to their call for several years of nil or very limited growth if they go on issuing through Parliament a stream of new laws with scant regard for the extra staff and expenditure local authorities will incur in order to implement them. The Community Land Bill, which could evenually require up to 12,000 additional local employees to operate its provisions, may be an extreme case, but it is by no means the only notable example.

One Japanese company in three may be running at a loss. Charles Smith reports from Tokyo

The high price of Japan's economic stability

THE Japanese economy is not about to collapse like a house of cards following the failure of the Kohjin company with the unprecedentedly large debt of Y210bn. (approximately £330m.) It is, however, facing some very considerable strains which could become worse if Mr. Takeo Miki's government does not succeed fairly soon in pulling the economy out of its deepest and most prolonged post-war recession.

The strong points about Japan's economy—its relatively healthy balance of payments, strong international competitive power, and impressively stable prices—are all still there. But the Kohjin collapse, and the possibility of others to follow, has drawn attention to the fact that individual Japanese companies have been paying very heavily for the stability which has been impressing the outside world so much since the beginning of this year.

Just how high the price is may not become clear until the dust finally settles from the Kohjin catastrophe or until the main crop of twice-yearly Japanese business results comes out in October. Preliminary estimates are that about one-third of Japanese companies (or one in four of the big companies quoted on the first section of the Tokyo Stock Exchange) will show losses ranging from mild to disastrous in their October results. Meanwhile a short list of some 30 to 40 "doubtful cases" among medium or even large-sized companies is said to be circulating among securities dealers.

Weeding-out process

All this sounds black enough, and it would probably be very black indeed if the bare facts of Japanese industry's financial situation were translated to any Western economy. But there are two reasons why a spectacular business failure, or even a series of failures, in Japan does not necessarily mean the same as it would in a Western country and both could alter the significance of last week's events. The first reason is that bankruptcies, even in normal times, are more frequent in Japan than elsewhere, and are regarded as a not undesirable part of the industrial weeding-out process. The second reason is that Japan has a range of mechanisms rivalling those in use anywhere for rescuing companies deemed worthy of survival.

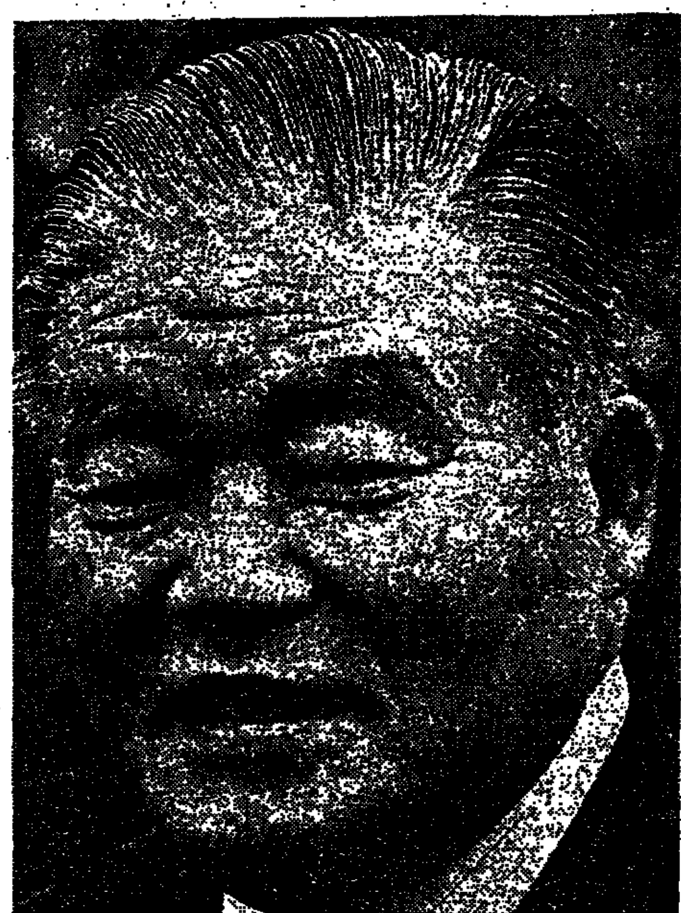
The fact that these mechanisms were not used to save Kohjin, despite the size of the company's debt and the likely repercussions of its failure (involving several hundred small companies in at least half-a-dozen different parts of the country) is not necessarily the mystery it might appear. First, though a big company, Kohjin was not strong in any of the fields it had chosen to enter. The company had made a relatively poor showing in rayon fibre after diversifying out of the chronically unprofitable pulp business in the early 1960s and had followed this by an ill-judged entry into real estate before and during the Japanese property boom of 1972-73.

Stimulate business

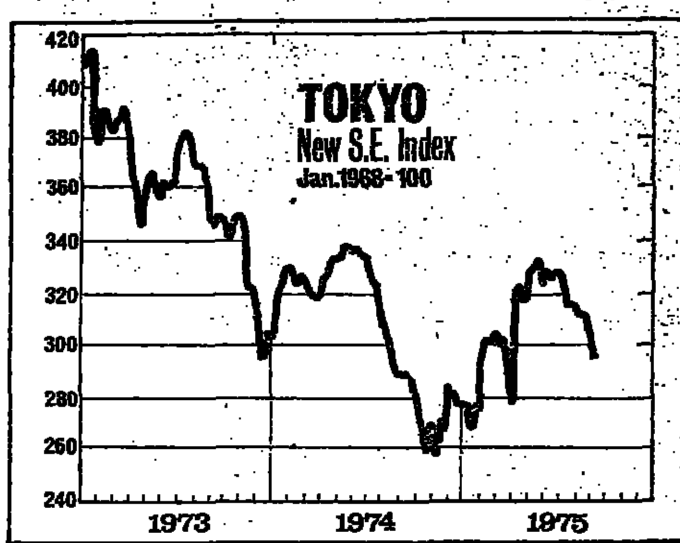
The other reason why Kohjin was allowed to go may be that the 13 major Japanese commercial banks, whose job it is to prop up Japanese industry at times of crisis, felt the time had come to teach the country's economic policy-makers a lesson. Both the Governor of the Bank of Japan, Mr. Teiichiro Morinaga, and the Director of the Economic Planning Agency, Mr. Takeo Fukuda, have been sounding maddeningly complacent to the ears of Japanese businessmen about the prospects for Japan's economy recovery and about the need to put the fight against inflation before the introduction of measures to stimulate business. There is evidence that both men have changed their tune in the aftermath of the Kohjin catastrophe and that measures both to ave t a chain reaction of business failures and to get the economy moving again will now be put into operation.

So far as financial first aid measures are concerned the Bank of Japan has already started to act. The Governor postponed his departure from the IMF meeting in Washington after the Kohjin news broke on Tuesday last week and the Bank announced within 24 hours that it would allow exceptions to its normally rigorous controls on commercial bank lending to industry if such measures were needed to bail out deserving cases of financial hardship.

The breaching of Central Bank credit "ceilings" for the benefit of individual customers has been used before when Japanese companies have got into trouble. A recent instance was the granting of permission to the Sumitomo Group banks early this year to arrange a syndicated loan to Japan's number three car manufacturer, Toyo Kogyo, after the company had got into severe difficulties because of failure to sell its rotary-engined models. There are other, more direct, ways in which the Bank of Japan can come to the rescue of individual companies, ranging from the supply of funds through the call market (which in Japan is tightly controlled by the Central Bank) to banks involved in short-term rescue operations to the ultimate case of direct loans to harassed companies. The Bank of Japan took direct action in Japan's last really major recession to rescue Yamaichi Securities, the fourth largest Japanese securities firm. It might well be prepared to make a similar move in the current recession if a big Japanese name found itself facing bankruptcy.



Mr. Masayoshi Ohira, Japan's Finance Minister and arch political rival of Mr. Takeo Fukada, Director of the country's Economic Planning Agency. The two men will be working together during the next few days to produce a package to get the economy moving.



Another manoeuvre which has been tried before and could be useful again is that of officially-inspired mergers backed by a package of Government and private sector loans. The Ministry of International Trade and Industry has been considering such a merger in the oil industry where a group of Japanese-financed companies (not affiliates of foreign oil companies) has been building up some alarmingly heavy debts in the past few months.

If the Bank of Japan and the commercial banks manage to hold the line against further bankruptcies during the next few months the next question will be whether the Government can carry out a prompt and effective reflation of the economy. The answer, at least at the moment, is that it is going to try very hard. Mr. Takeo Fukuda, whose stress early this year on the desirability of a slow recovery and modest growth rate for Japan earned him the title of "Mr. Austerity," sounded a strong call for reflation when he returned to Japan on Sunday after a three-week tour of Latin America. Soon after, Mr. Fukuda's arch political rival, the Finance Minister Mr. Masayoshi Ohira, said much the same thing at the IMF meeting in Washington. Although the two men dislike each other intensely they will be working together during the next few days to produce a package of measures which they hope will get the economy moving and at last make an impact on the long drawn out recession.

Public works

These will include an increase in and acceleration of public works spending — the fourth measure of its kind to be introduced this year but in all probability very much larger than the three earlier ones: a big supplementary budget which will allocate funds for still more public works spending later in the year; a probable 1 per cent. cut in bank rate (before the Kohjin affair a 0.5 per cent. cut had been generally expected) and a substantial raising of ceilings of bank loans to industry for the last quarter of the year.

There is one big problem about stepping up public works expenditure: the huge deficit on the 1975 main budget which has been caused by a massive shortfall in this year's estimated tax revenue. The Government plans to bridge this gap by issuing special "deficit covering" bonds during the final months of 1975 and the first part of next year to the tune of some Y3,000bn. Initially the bonds will be taken up by the city banks whose resources are already being severely strained, but the Bank of Japan will almost certainly come to the rescue by reabsorbing at least a portion of the bonds from the private sector.

From one point of view the autumn of 1975 looks like the ideal time to get the Japanese economy moving again. The hyper-inflation which hit the count y in late 1973 and reached a peak a year and a half or so ago has now at least temporarily been brought under control. Japan's wholesale price index, which was showing a year-to-year rise of over 30 per cent. early last year, was a me e 1.2 per cent. up last month on the level of August 1974. The consumer price index still shows a rise of just over 11 per cent., but this reflects a delayed reaction to the trend of wholesale prices and the current rate of increase is, in fact, a good deal slower than seemed possible even a few months ago. The Government is confident enough to say that it is certain of reaching its target of single digit consumer price rises by March next year. After an actual fall in the Tokyo cost of living during Augus[t] people are saying the [single] digit target can be atta[ined] [by] October.

The negative side of [this] is, of course, the shee[r] [depth] of the recession a[nd] [the] apparent lack of any rec[overy] [in] demand for the prod[ucts of] Japanese industry fro[m] [any] source except the Gove[rnment]. Japanese exports, whic[h] led the way out of [the] previous post-war rec[ession] are at present runnin[g] below the levels of a y[ear ago] (the August figure for Letters of Credit recei[ved was] 14 per cent. below the August 1974). Consumer [demand] in Japan is also very we[ak]: department-store sales [were] only 5 per cent. ahea[d last] summer in nominal [terms] [or] about 5 per cent. below [in terms] of the actual quantity sold.

The last and most [...] index figure is that f[or orders] for machinery, a guid[e to in]dustry's view of its ow[n future] and to the future tre[nd of in]dustrial investment. M[achinery] orders, which had been [...]ing early in the year, [were ...] per cent. below the le[vel of] months earlier in Apri[l and in] July were down by 31 [per cent.] with most of Japanese [industry] operating at between 7[0 ...] per cent. of capacity, [and] most companies thinki[ng] about survival throu[gh the] next few months th[e year's] expansion plan[s ...] scarcely surprising tha[t invest]ments are getting a low [...]

Growth rate

The upshot of all this [is that] Japan is definitely not g[oing to] lead other industrial co[untries] out of recession. Aft[er an] illusory recovery of this [year] when the industrial pro[duction] index started to creep u[p] but most other in[dicators] remained negative the co[nclusion] now is that the country [will be] lucky to see any [...] resumption of growth [before] the end of the coming [...]. The forecast of a 4.3 pe[r cent.] GNP growth rate fo[r the] current fiscal year ([to] March 31) which was pu[blished] last Christmas by the Ec[onomic] Planning Agency is cert[ain to] be revised downward wh[en the] Agency comes out wi[th an] updated set of figures lat[er this] month.

The 30 per cent. of Ja[panese] companies which are [losing] money to-day will thus [almost] certainly continue to [...] until well into 1976 a[nd the] banks which are straining [every] nerve to keep them afloa[t will] not be able to relax for a[t least] six months. By then Japa[n may] be better placed than m[any of] its competitors in the W[est to] start growing again, but [it may] be minus at least a hand[ful of] companies which were [house]hold names before the rec[ession].

MEN AND MATTERS

Tracing CCA's parentage

Is CCA just DVA in another guise? The central theme of last week's weighty Sandilands report on inflation accounting was that a new system called Current Cost Accounting should be adopted to ensure company results reflect adequately the ravages of inflation. Plenty of argument can now be expected, and if Sandilands passes into fact, strong nerves will be needed to digest the sort of slimline profits blue chip companies will be reporting before 1980.

On the sidelines, there could be some minor wrangling over who really dreamed up CCA in the first place. I hesitate to get drawn in, but there seems support for the thought that a couple of economic writers named Edwards and Bell were off the mark in the early sixties. Then, Professor William Baxter of the London School of Economics expounded a system that looks like CCA in a book called Depreciation, published in 1971.

Trouble was, Baxter called his system deprival value accounting. "That sounds as if you ought to feel your pocket to see if everything's still there," says a man at the Institute of Chartered Accountants. Perhaps that should be the whole idea.

Holiday blues

It all sounds like the standard disgruntled holidaymaker's gripe. Overbooking, unfinished hotel rooms, overcharging, the lot. "Bulgaria," as the complainant says, "is a beautiful country with beautiful beaches but I have no intention of ever returning."

Who can suppress a grin, though, when the aggrieved party turns out to be Arthur Scargill, militant left-winger (and one-time Communist) who leads the Yorkshire miners.

The system of providing meal vouchers as part of the all-in package was inadequate to feed the 37-year-old union leader, his wife and teenage daughter, and Scargill had to dip into his pocket again for meals.

"The graft and corruption in the shops and restaurants would do credit to the Mafia," he goes on. "Either they refused to give change, or short-changed, so that everything costs more than it should. The overcharging there would not even be attempted at Blackpool. I was appalled and if this is an advert for international socialism, they will create more capitalists than I have ever seen."

All sounds like good news for Britain's economic recovery: Scargill will holiday next year on England's south coast.

Luis Gordon seeks readers

A new magazine just out called *Decanter* brings Luis Gordon further back into the wine trade which he abandoned when he left Luis Gordon Group at the end of last year after the Spanish group Domecq acquired a controlling interest. The first issue of the magazine lists Gordon as a consultant, but in fact he is putting up all the finance for the project at an initial cost, he estimates, of around £7,000.

Gordon considers the new magazine is partly a business venture but also partly a labour of love on his part—he has just 15 per cent. of the equity. This is Gordon's second new venture in the wine trade since he parted company with the family company which he had brought to the stock market in 1972. Earlier this year he bought the co-incidentally named Gordons Wine Bar in Villiers Street, refurbished it, and opened for business in March. Now he says trade is going "fantastically well" and that the bar was making profits after the first month.

The success of his new wine bar is doubly sweet for Gordon since it was largely losses on the Wolsey Wine Bar operation at the Luis Gordon Group which caused cash problems and brought the cash injection by Domecq in exchange for shares which led to it taking control. The group has since sold its wine bars, but Gordon still gets satisfaction from proving that he can make one pay. "I was a bit hurt about the criticisms levelled at me over the Wolsey operation," he says.

Atherton's exit

"There can be no worthwhile future for a country whose biggest growth industry is that of politicians (of all parties) spending other people's money. I would go so far as to suggest that in the last five years they have done more lasting damage to British industry than was ever achieved by the whole of the German Air Force in two world wars."

That was Thomas Atherton, chairman of Preston-based Dorman Smith, writing in his annual report earlier this year. The report also included the information that though his 1975 gross pay went up from £29,659 to £40,210, the net "value to recipient" fell after tax from £7,415 to £6,835.

Now, Atherton's gloomy view of the future goes a stage further: he is off to the Isle of Man. "Rates of personal tax have for me become quite unbearable," he says in a letter to shareholders. A personal average tax rate of over 90 per cent. leaves him with "just over £3 per hour (and nothing for overtime) for carrying the enormous responsibility and endless worry of running this company successfully."

Atherton is a bluntly-spoken chartered engineer whose father joined Dorman Smith in 1927. He bought control with some borrowed cash ten years later, and transformed the company into a reasonable medium-sized business. The son continues the work: turnover in 1974/75 rose nearly £3.5m. to £10.7m. and profits pre-tax were £688,000 up at £2.4m. Management will continue unchanged.

His brother Eric Atherton, another director, already has a house on the Isle of Man and Thomas Atherton knows the place well, having been a regular visitor since before the last war. As tax havens go, Atherton says the Isle of Man, unlike the Channel Islands, has changed very little with any "invasion" there might have been.

Participation

A Bristol tobacco company has found an old memorandum dated December, 1922, which tells employees that "singing will be permitted for the first and last hours on Thursday and Friday next, 21st and 22nd instant, provided it is done in an orderly manner."

Observer

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FINANCIAL TIMES SURVEY
Monday September 8 1975

INDUSTRIAL PROPERTY

Economic uncertainties and political measures have combined to bring industrial property development almost to a halt and have led to a big rise in the number of unlet properties. The immediate outlook is sombre but there are grounds for optimism in the medium term, particularly in view of the Government's desire to stimulate investment.

Doubts multiply as spare footage increases

A YEAR ago it was possible to report that demand for industrial space had held up well but that there were doubts about the outlook. Those doubts have been all too fully realised. The industrial property scene to-day is not encouraging; availability of industrial space has risen sharply, demand has fallen, development programmes have been postponed or severely reduced and site assembly work largely abandoned.

There can be little surprise at the general trend. The demand for industrial space traditionally follows fairly closely the trends in industrial investment and in recent months the tendency has been for industrialists to reduce or abandon their expansion plans. In addition, there have been economic pressures, particularly on the wages front, which have forced companies to cut their existing space requirements, often by closing factories or merging warehouses and depots. That, in turn, has thrown additional space on to the lettings market.

The weakness of demand has not, however, been the only factor to cause despondency in the industrial property market. Rising building costs have meant that developers have been obliged to look for higher rents from proposed new buildings rather than from premises of a similar specification recently completed. The higher building costs coupled with largely stagnant rent levels have inevitably had the effect of reducing the value of industrial building land but that cost saving has been of little or no value to most developers for the good reason that most of them had substantial land banks, much of the land bought at inflated prices.

The other inhibiting factor has been Government policy, which to some in the industry seems almost purposely designed to thwart the regeneration of British industry. The Development Gains Tax and its associated First Lettings Charge, introduced in the 1974 Finance Act; Industrial Development Certificates which restrict factory developments in the southern half of the country; zoning restriction and planning delays. All have played their part in hampering development.

Overhanging the scene has been the Community Land Bill, which will make local authorities for the first time the major body initiating property development, and the Development Land Tax. The Bill covering the first of these two complex and closely inter-related measures will continue its course through Parliament in the autumn and the Bill introducing Development Gains Tax, to be levied initially at the penal rate of 80 per cent. and later raised to 100 per cent., will come before Parliament for the first time during the same session. Both measures are expected to be in operation from the beginning of the next financial year.

The property world, in a remarkably uniform reaction to the measures, predicts that the lack of development incentive and the inadequacy of local authorities to act as initiators of commercial and industrial property development will lead to a further slowing down, if not to a stifling, of the tempo of development.

Warehouse

The combination of the economic and political factors has had a very marked effect on the current availability of industrial space and on the pace of development. According to agents King and Company, availability of warehouse space in England and Wales has more than doubled, from 13m. square feet last November to 27m. square feet now while factory space availablity has moved up from 21m. square feet to 34m. square feet.

There still appears to be a fairly healthy demand for modern industrial units of up to 20,000 square feet but anything above 25,000 square feet designated for manufacturing industry is very difficult to let. Geographically the trouble spots on the lettings front at present appear to be the North East and some parts of London and the Home Counties. The North West, the Midlands and East Anglia all appear much more buoyant markets at the present time.

The true flavour of the current situation cannot be fully sensed from availability figures because 44 per cent. of the warehouses and 88 per cent. of the factories available are more than three years old and many of them are not at all suited to modern industrial needs. A more dramatic impression of the present malaise can be gleaned from the figures for factories and warehouses currently under construction. Last March King and Co. reported that some 12.4m. square feet were under construction; at the last count in mid-August that figure had dropped to 4.6m. square feet—little more than a third of the earlier figure. Since it usually takes under nine months to erect an industrial building, the figures indicate that new building has come almost to a halt.

Yet, despite all the gloom, there are some hopeful signs to be picked up by anyone who is optimist enough to believe that the British economy will pull out of its nosedive. The first is, of course, that the Government is clearly committed to stimulating industrial expansion even if many of its policies both recent and current seem designed to do the reverse. Industry bashing is no longer fashionable among most political leaders of the Left who see that the end-result of the policies they advocate could be fewer jobs.

Next one must recall the recovery staged by the property sector since the turn of the year. This has had an important effect on the market for commercial properties in the well-located, well-let, not-more-than-£3m. category. Pension funds and insurance companies have scrambled to purchase properties of this kind with the inevitable effect that the initial yield on prime office properties has fallen.

Site value

Traditionally, industrial properties have not been as popular with the investing institutions as commercial premises. The relatively low site value component of the investment, the rapid obsolescence and the problems of managing an industrial estate have all acted as a deterrent. Nevertheless the virtues of industrial property investment has slowly been gaining ground over the years. A decade ago it was common to find no more than 15 or 20 per cent. of an institution's property portfolio in industrials. To-day that figure is frequently around the 50 per cent. mark.

Accompanying this growing acceptance of industrials has been a decline in the gap between commercial and industrial property yields. At the height of the last property boom commercial investment yields went as low as 3.75-4 per cent. while industrial yields were 6.75-7 per cent.—in other words institutions were demanding an 80 per cent. higher yield on good industrials than they required on good office investments.

It is a mark of the continuing progress of industrial properties in the eyes of institutions that the best industrial yields are now 8.5-8.75 per cent. and the best commercial yields 6.5-6.75 per cent. The yield gap has shrunk to no more than 30 per cent.

Undoubtedly the main reason for this has been the sharp decline in London office rents over the past year and the relatively good performance of the industrial rent sector. Industri[al rents] may not have moved up [...] in many cases but for pri[me pro]perty there has been [...] comparable to the holocau[st] in London office rents. F[or] Percy Bilton, the 78-ye[ar-old] chairman of the public co[mpany] that bears his name preached the superior pe[rform]ance of industrial rental[s] compared with offices and [...] There have in the pas[t been] many doubters but, after [the ex]perience of recent month[s the] doubters are rather fewer.

The size of individual [indus]trial investments made b[y insti]tutions has also risen ma[...] Most institutions still [...] locations in the South a[nd] Midlands and favour pr[operty] with a good sprinkling o[f units] in the easily-let 5,000 [...] square feet category. Th[ey] want modern developme[nts and] avoid refurbishments of [old] structures. But inste[ad of] making only modest ind[ustrial] investments, some insti[tutions] are now willing to spend about £2m. on a single [indus]trial development—whi[ch does] not compare unfavourabl[y with] the limit of around £3m. [...] Institutions seem to be [...] themselves at present on [...] investments.

In the present atmosp[here of] economic uncertainty, it [is not] surprising to find the [institu]tions showing greater inte[rest in] buying completed and le[t indus]trial schemes than in fin[ancing] new projects. Some lon[g-term] money remains availab[le for] industrial development b[ut is] generally very scarce [and] usually only forthcom[ing for] first-class schemes. For th[e time] being the institutional [prefer]ence is for schemes whi[ch are] totally or at least partial[ly] let before the building commences.

For the future, much d[...]

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Yields firm up a little

INDUSTRIAL properties, like the rest of the investment market have staged a recovery this year—albeit a partial, selective and hesitant one—following the sharp downturn of 1974. Indeed, in some respects the upturn in the industrial section of the market has been rather stronger than in other areas—reflecting a number of changes of emphasis in underlying attitudes. Yields are still, nonetheless, some way above the levels commonly accepted at the height of the "boom" two years ago.

The pick-up this year can best be seen in the context of the sharp fluctuations in the investment market over the last two or three years. Back in the autumn of 1973, the palmy days before the Fall, yields for industrial properties were at the historically low level of 7 per cent. And in a classic symptom of over-heating there were attempts to talk yields down to the 6.5 to 6.75 per cent. evel This enthusiasm developed against the background of a rise in rents of more than 50 per cent. in 1972-73. but this led to over-enthusiasm with some of the traditional criteria of location and quality being relaxed, and unrealistically bullish rents being projected.

Projects

The bubble burst and the market started to turn down sharply and rapidly in late November and December, 1973. The causes are now well-established—the sharp rise in interest rates, the secondary banking crisis and the announcement by the Conservative Government of the Development Gains Tax. The results were dramatic with a flood of industrial projects onto the market, but virtually no buyers, at least in the early months of 1974.

The outcome, inevitably, was a steady rise in industrial yields throughout last year—from about 7 per cent. just before the beginning of the year, to 8.25 per cent. in February, 9.25 to 9.5 per cent. in June, 9.75 to 10 per cent. in September and up above 11 per cent. by December. However, the increase in yields did not necessarily draw buyers out, except for those investments which were absolutely prime in location, design and covenant. Any properties falling below these high standards were virtually unsaleable at whatever yields.

The market touched bottom in December last year, and the turning point was the Labour Government's decision to end rent controls 12 months earlier than previously intended. This led to a gradual revival in the investment market in the early months of this year as some of the major investing institutions decided to start moving back into the market.

The level of activity has been much less than in the "boom" period of 1972-73, but agents report a steady, and increasing, flow of investment activity during the year. And this has had the obvious effect on yields, which started dropping quite noticeably in the late spring. So by the end of June, the prime rate for top-quality industrials had dropped by a good one and a-half to two points to the range of 9.5 to 9.75 per cent.

The decline has continued since then and Grant and Partners, for example, reports deals in late July and early August around the 8.75 per cent. mark, while an investment has apparently been sold recently for 8.5 per cent. It is too early to say whether this is just an exception or the start of a trend, though there is no doubt that under 9 per cent. yields only apply to a relatively small category of prime investments—and other agents are still quoting a rate of just over 9 per cent. for industrials.

The lowest rates only apply to modern rack-rented industrial and warehouse buildings with adequate eaves height—a minimum of 18 to 20 feet for a warehouse—constructed in brick or steel and with adequate parking and loading space. All this reflects the requirement that a unit must he sufficiently flexible to be re-let if necessary—and a parallel point here is the ever-increasing attention to covenant. There is now a good deal of investigation into the balance sheet and long-term profitability of a potential tenant—and it is now not good enough merely to be a publicly quoted company.

The locational requirements are as tight as ever with London and the Home Counties remaining the most favoured sites, together with places such as Bristol and Southampton. But according to certain agents some of the northern regional centres are not as popular as they were, with properties even in prime locations near motorways being offered at perhaps half a point above the lowest prime rate.

Possibly the most intriguing point is the fact that the drop in industrial yields this year has been greater proportionately than with shop and office rates—narrowing, at least temporarily, the traditional gap between them. A relatively greater share of the money going into property now seems to be allocated to industrials while there is a shortage of really top-quality investments, though of course, an over-abundance of secondary properties available. The relative scarcity of prime properties is explained by the fact that a lot of the best located estates started in the "boom" period were anyway forward funded with institutions, while those companies which are in a strong financial position often prefer to hold to their schemes.

Locations

The other important influence behind the relative strength of industrials has been the resilience of rents. Although the letting market has definitely fallen off from the level of demand earlier in the year, there has been little evidence of any widespread decline in rents for industrial and warehouse space in prime locations at least. But some over-ambitious asking rents have had to be reduced.

The comparative stability of industrial rents—with figures of near £2 a square foot still apparently being achieved in central London—may be tested in the probably weaker demand conditions of the next few months. Nevertheless this trend stands in contrast to the decline in office rents and has reinforced the arguments of some industrial specialists, notably Percy Bilton, that the growth in industrial rents has been every bit as good as, if not generally better than, the increase in office rents over a long period.

The relatively high rates of return available on industrials have also attracted money at a time when more attention is being paid to current yield rather than potential growth rates. Indeed it is true to say that the reversionary potential in an investment is continuing to be heavily discounted by purchasers in their yield calculations.

Some institutions also seem to be responding to the broader political shift towards the view that it is "better" in a general social and economic context to put money into industry—and providing buildings is one way. In any event, some [...] nationalised industry p[ension] funds have been active [in this] sector, and, in general, p[ension] funds have been willing [to take] somewhat larger ind[ustrial] schemes—say, up to £2m. [...] insurance companies [...] There has also been a [...] of demand, again part[ly on] yield grounds, from [...] smaller charities, trust[s and] private individuals, attrac[ted by] rates of 10 to 15 per cen[t. on] certain types of inves[tment.] Some owner occupiers ar[e] still in the market for factory units.

Overall, the recovery i[n the] market still leaves yields [above] the levels seen eve[n in] "normal" years and it [would] be wrong to under-estimat[e the] large quantities of sec[ondary] property still on offer—a[nd of] course, the dampening eff[ect on] institutional demand for i[ndus]trials, which the growing [reces]sion may produce.

Peter Rid[...]

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Lack of finance for new projects

THE LEVEL of funding activity for industrial developments has not revived over the last few months in the same way as has the demand for completed and fully let investments. While it is now possible to finance certain types of schemes from scratch, comparatively little new industrial development is being started. In general money is scarce and is available only for really first class projects.

The two features are, of course, linked and reflect the increasing doubts about the viability of an industrial scheme if started now because of the weakening of the letting market and steady rise in building costs. The central point here is the fall-off in demand for industrial and warehouse premises this year. For example, in the spring Chamberlain and Willows reported that inquiries for industrial and warehouse property were 14 per cent. lower than in April/May 1974.

The drop has continued since then, according to all reports from agents, while at the same time the total amount of space available for letting has shot up. According to King and Company's latest survey, published last week, the total amount of space currently available with vacant possession for letting or sale has increased by about 17.26m. square feet since March this year. Nearly 8m. square feet has been completed since that date, so about 9.25m. square feet appears to have been vacated during the last five to six months. Against this background there is a predictable reluctance on the part of both institutions and developers to start new schemes. And although rents have—so far at least—been firmer than in the office and shop sectors, projected returns can easily be upset by an unexpected rise in building costs.

Consequently, many groups consider it an unjustifiable commercial risk to start a completely new project now—and anyway many companies, including some of the very largest, are spending all their time trying to reduce their cash outflows and capital commitments, rather than to increase them by starting new projects. While it is true that some of the soundest and most solid companies financially are in the industrial sector—such as Slough Estates, Brixton Estate and Percy Bilton—some of the most highly geared concerns which collapsed last year, such as Lyon Group, Guardian Properties and the Stern Group, were also very active in this area.

Sharp fall

The result of the disappearance of these groups—in particular, Lyon—and the curtailment of development programmes by most other companies has been a very sharp fall in the amount of new space being constructed. This is partly reflected in the Department of the Environment's construction order statistics, which show that in the second quarter of this year orders for private industrial work were 36 per cent. below the level of the first three months of 1975 and 41 per cent. lower than in the second quarter of last year. Indeed, on a seasonally adjusted and constant price basis, the average monthly figure for orders in the second quarter was scarcely half the average for the whole of the past five years.

This trend has also been reflected in the King and Co. surveys which show a "very substantial" decrease in the space under construction and likely to be available within six months. The total is down from 12.42m. square feet to 4.63m. square feet since March this year. As King and Co. comments, this "would seem to indicate the continuing reluctance of development companies to embark upon speculative projects where the economic climate is so uncertain and where the present and proposed taxation on the development profits has removed a substantial part of the incentive to carry out such schemes."

So with the reluctance of developers to undertake schemes being reinforced by the institutions' reluctance to finance them, there has obviously been little funding activity. The banks are certainly not willing to provide bridging finance on purely speculative projects, as they were in the "boom" period. Short-term finance is only available now on schemes where the banks can clearly see an end to their commitment via a sale to an owner occupier or an institution.

Institutional finance is also generally only available on projects where there is a pre-let to top-quality covenant—for example, on a warehouse taken by a leading multiple group—and the rate for pre-funding is now perhaps one and a half to two points over the comparable yield for a completed and fully let investment. Some money is apparently available from institutions for schemes where half an estate has been completed and successfully let, so the investment section is sold and the development financed on a forward funding basis. While noting the general scarcity of money for development, Donaldsons has stated that it has recently obtained an offer of funding for a speculative warehouse development and it has also been negotiating with local authorities for partnership deals where some finance is available.

There is comparatively little sale-and-leaseback and mortgage activity. This is not so much because institutions are unwilling to provide money on these terms, but principally because many developers would prefer to sell the freehold of a scheme outright rather than take a top slice when there is an element of uncertainty about rents or commit themselves to paying an interest rate for 20 years or more, at several points over the development return.

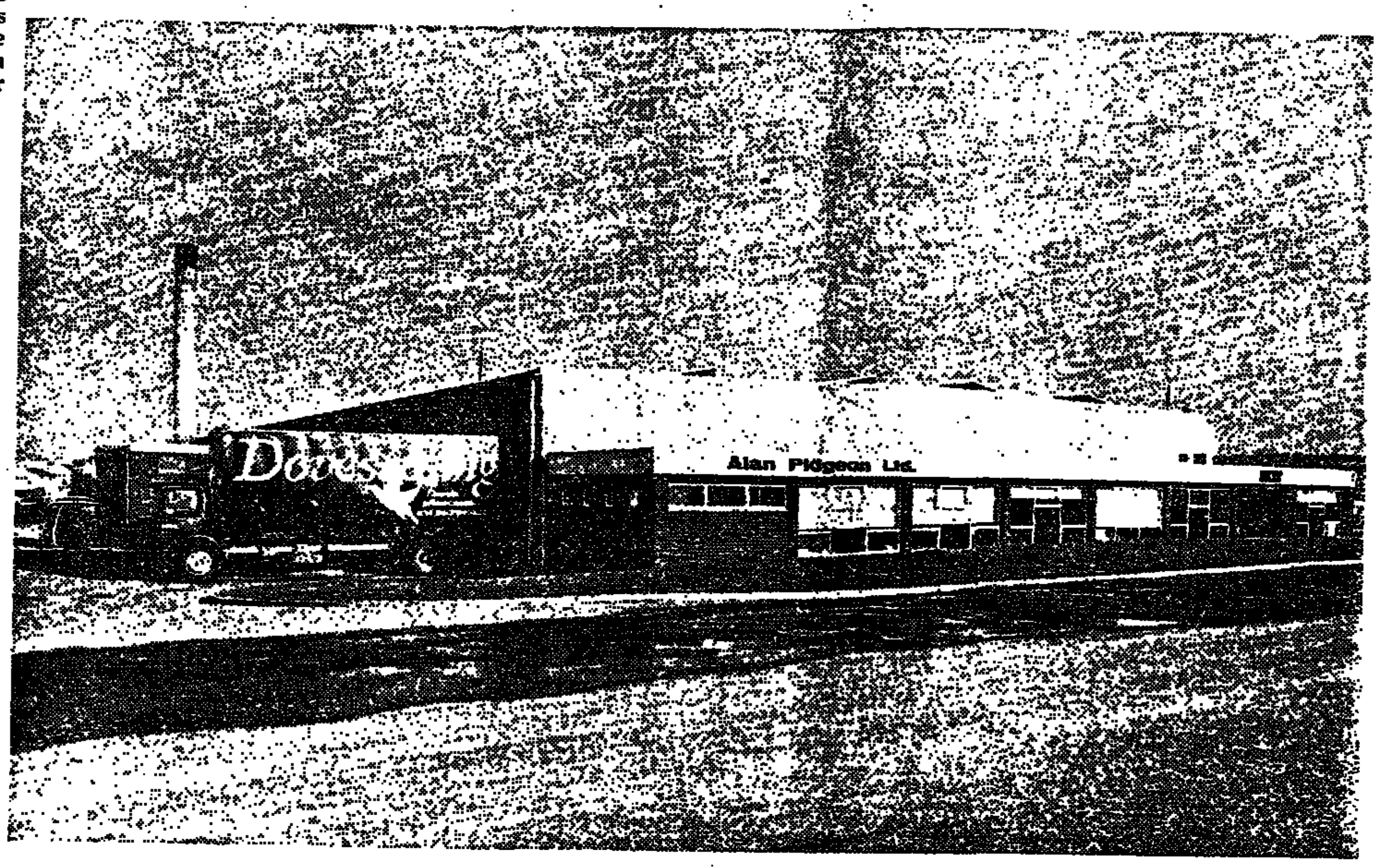
Institutions

In addition to the financing of specific schemes, a number of companies have money available from existing sources to cover their development programmes in general. Percy Bilton, for example, referred in its annual report earlier this year to the fact that existing facilities were still available to finance the development programme based on long-term funding from institutions.

But peraps the most interesting recent example of a company's financing of an industrial programme was the Slough Estates' funding operation earlier this year. Slough raised £10.5m. partly through the issue of a £5.5m. convertible loan stock, but also via the provision of a £5m. loan for 10 years from Finance for Industry. Slough was the first recipient of money from FFI to be disclosed publicly which was slightly ironic since the organisation was expanded principally in order to provide money for industrial companies needing capital to expand their plant. But the move was less paradoxical than it first appeared since Slough will use it to develop industrial estates in the U.K., and as Mr. Wallace Mackenzie, the managing director, pointed out at the time: "When we spend money it relieves industry of its financing requirements."

At the same time—in April—Slough said that although the U.K. factory and warehouse programme was being reviewed, and in some cases curtailed, the group still intended to build about 500,000 square feet of space during the current year. But in its recent interim statement, Slough pointed out that there had been a weakening in demand for factories and warehouses, which will inevitably affect starts from now onwards. And apart from companies like Slough which can arrange substantial longer-term finance, the amount of funding activity is likely to remain at a low level until the letting prospects improve.

Peter Riddell



The factory at Cleaton Moor, Cumbria, of Alan Pidgeon Ltd., makers of bedroom textiles, which is to be extended by a further 30,000 square feet.

Doubts multiply

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on the way in which the Community Land Bill, when enacted, is administered in practice. Perhaps the single most crucial area is the question of the ground leases which local authorities, in their new role as principals in the acquisition and disposal of development land, will grant on land designated for development.

If leases of 125 or 150 years are granted it is possible to envisage property development companies and institutional investors carrying on with existing roles—with the important difference that most or all of the increment in land values will be taken from them. With little or no prospect of profits from any increase in land values and with probable further increases in building costs, it seems highly likely that the devolopers best able to survive will be those who can build at the lowest cost. (It is important to remember that building costs play a far more important role in industrial property development than in offices and shops which are usually built on expensive in-town sites.)

Components

This in turn can be expected to place the larger developers and those with an industrial building division of their own—such as Laing and Percy Bilton—at an advantage since they should be able to enjoy the economies of large-scale industrialised building using standard components. The current recession in industrial development coupled with the Government's land proposals could well make life very hard in future for the small industrial development company.

For the time being many of the larger industrial development companies are looking abroad for a major part of their development work load. The extreme case is, perhaps, Mackenzie Hill, which reported earlier this year that it had cut its U.K. development programme from £60m. to £35m. and increased its programme overseas from £184m. to £223m.

The switch in interest is just as well since it would be wasteful of the country's resources at present if greater efforts were made to provide as yet unneeded industrial space. The situation may be very different in a year or 18 months' time and some people are already beginning to talk in terms of a "factory famine." The fervent hope of industrialists and developers alike is that the realism which now colours much of the Government's thinking may perculate into the industrial property sector.

If industrial space is needed in a hurry, financial incentives and the full weight of the Government machine will be needed to aid development rather than shore up the forces of inaction and delay. Mr. Silkin, Minister for Planning and Local Government, has said that the detractors of his Community Land Bill have exaggerated the likely problems: he is looking for orderly property development matched to the needs of the community. The time to judge the value of the Government's benign intentions will occur when the next industrial investment cycle begins to gather pace.

John Trafford
Property Editor

Development schemes

INDUSTRIAL development is at present at a low ebb, a victim of rising building costs and largely stagnant rent levels. In the current state of economic uncertainty, developers cannot see an adequate profit from speculative developments that they might undertake and, with *few exceptions, they are holding off*, or going ahead with reduced programmes.

The situation is not wholly gloomy, however. Although speculative development is unfavoured, a substantial volume of pre-let industrial development is proceding and there is evidence that a growing number of industrial companies are interested in doing their own factory and warehouse developments, often on land leased to to them by a local council.

The most spectacular of the recent pre-let schemes is Slough Estates venture at Reading. The company bought Sutton Seeds in June, complete with a 43-acre site just outside Reading, for £3.2m. and plans to spend another £5m. at today's prices on building 750,000 square feet of warehouses there by 1980. The company hopes to arrange prelettings for each phase of the development before a start is made and, given the exceptional location of the site, it may well succeed.

Slough Estates' view of the outlook for U.K. industrial development in any case is noticeably bullish given the present circumstances. The downturn for industrial space has not, in its view, been as severe as expected and the group has consequently not had to cut its construction programme too drastically; this year it will develop about 500,000 square feet of industrial space.

Over the past few months two government policies have emerged — one precise, the other nebulous — which could support this more bullish view. The definite one was the decision last December to decontrol business rents. This allowed landlords with property that had been due for rent reviews to charge market rents from March 19 and it undoubtedly provided developers with more cash flow and a greater incentive to develop than before the change in policy was announced. Brixton Estate, one of the larger industrial developers, estimated that it had lost £255,000 pre-tax in revenue in 1974 as a result of the freeze.

The nebulous policy is the oft-repeated statement that *British industry is investing too* little and that means must be found to encourage a higher rate of investment. With some good reason but still with a large slice of risk, industrial developers could now decide that the time has come to move into a more active phase of speculative development. However, there is little sign that this is happening on a large scale.

Space

Indeed, there are signs of a strong contrary flow of relatively modern space with companies seeking to cut back their space commitments and so either halting new developments or throwing additional existing space on to the lettings market with the inevitable effect of holding back any rise in rental levels. Last February, for instance, International Sports, part of the Dunlop group, cancelled plans for a 200,000 square feet assembly and distribution centre at Wakefield.

The plans had reached an extremely advanced stage and were abandoned at the last minute because of the threatening economic situation.

As regards rationalisation of existing resources, there are many examples of companies abandoning obsolescent in-town industrial premises, but such *moves on the whole have little* effect on the plans of the developers because the kind of space that is then placed on the market is not competitive with modern industrial facilities. A different situation arises, however, in those cases where the management reviews the need for relatively modern factory and warehouse units, as can easily happen when a new managing director takes over or the company passes into new ownershsip.

Agents Donaldsons say that they will shortly be offering two factories, one of 33,000 square feet and one of 60,000 square feet, which are being vacated by Brown Boveri Kent, the old Kent Instruments company which last year was taken over by the Swiss Brown Boveri.

In the final analysis the tempo of industrial development is determined by the *needs of industrialists, anticipated* or actual. Paradoxically, while many developers see financial difficulties in pressing ahead with development because of slack demand, some industrialists are showing an interest in undertaking their own development — for the same reasons.

The slack demand has led to land prices for industrial development falling and it seems that some industrialists who, unlike the majority, are not suffering from a a cash flow or funding problems, see the present circumstances as ideal for indulging in a little development on their own account. Agents Grant and Partners have seen the interest of industrialists as something worth cultivating and have drawn up a register of industrial companies seeking land on which they could build their own factories or warehouses.

In some cases, of course, owner-occupier development is not just an attractive alternative but the only means of getting a particular building constructed. This is particularly true of those areas like the north of Scotland where few of the developers and still fewer of the institutions have any depth of experience. Aberdeen council has frequently found itself in partnership with private industry, leasing it land on which new warehouses, factories and offices could be built.

For the time being at least a high proportion of new industrial space will be supplied as *in the past by developers,* and here one can detect a variety of complementary trends, geared one way or another to more efficient operations. One trend is towards refurbishing existing industrial space if it is of a quality and location to make it attractive. Higher building costs have been a major factor forcing developers to look afresh at buying up large workshops and other unprepossessing premises and give them a facelift rather than raze them to the ground and start again.

The Walton Commercial Group, the go-ahead Liverpool-based group headed by Mr. Bill Davies, has made a great success of refurbishing and letting 750,000 square feet of old GEC engineering shops at Bootle to a variety of tenants with expanding business in the region. The estate cost Walton £1.4m. in 1972 but after some relatively inexpensive refurbishment, rent levels have been raised from a meagre 31p to around £1.12p a square foot for the most recent lettings.

British Steel's refurbishment of its former Newport Tube Works in South Wales is another example. BSC formed a joint development company with Tarmac to refurbish about 400,000 square feet of existing space and build a further 1.2m. square feet. So far *only the first* phase, the refurbishment of 250,000 square feet, has been undertaken and this has recently been sold to Venture Carpets.

One of the problems with this *kind of venture* is the institutional reluctance to fund long-term refurbished industrial premises which, in the jargon of the trade, are approaching the end of their useful life. This may in fact be untrue but nonetheless there is a distinct institutional reluctance to finance any property where most of the value is in an ageing structure rather than in the land. In the Newport example, Venture Carpets have bought outright the space they now occupy.

Costs

The need to cut costs wherever possible has also led to the development of hybrid industrial/office premises with a far higher proportion of offices to industrial space. Swanfield Investments is constructing a complex of 122,000 square feet of factory/warehouse space together with 39,000 square feet of offices at Arlesey, Bedfordshire. *This will allow companies* to operate entirely self-contained production and administrative headquarters on a single site and so do away with the usual regional office located in a nearby town.

Another way of cutting costs is to see that the w[…] environment of your emp[…] is so good that staff turno[…] low and morale high. Ov[…] past few years there has a general trend towards of higher specification buildi[…] better planned, more attr[…] industrial parks.

Whatever the resourcef[…] of the *developers* and [...] trialists, it is a disturbin[…] that the economic circums[…] of industrial develo[…] together with the various of Government-inspired h[…] (Industrial Development [...] ficates, planning permissio[…] above all planning delays) made the U.K. an unattr[…] market *in which to* operat[…] major scale. Most of th[…] industrial developers are active in other count[…] particularly Benelux, [...] and North America—and i[…] open secret that some of would move their headqu[…] from the U.K. if this readily be accomplished.

Mr. Harry Axton, d[…] chairman of Brixton E[…] spoke for more than his company when he re[…] attacked the Governm[…] restrictive policies to industrial property develo[…] and called on it to alter o[…] "If this is not done," he "the country cannot ho[…] catch up with its industria[…] petitors in Europe and where . . . . Brixton will to concentrate its exp[…] abroad rather than in the

John Traf[…]

Costs continue their remorseless climb

IF CONSTRUCTION activity generally in the U.K. has been stagnating over the past year or two, the area of costs has proved to be a major exception. Estimates of the extent to which inflation has hit the *building sector vary widely* but everyone is agreed that as output has continued to decline, costs have continued their remorseless climb upwards. Neither labour nor materials have escaped and once again the building industry as a whole has had to cope with a crisis of higher costs and prices against a rapidly falling workload.

For the past 18 months or so the property world has become accustomed to seeing a monthly rise of around 1.5 per cent.-2 per cent. in building costs, following an increase for 1974 as a whole of around 20 per cent. Tender prices last year rose by nearly 25 per cent.

There are some indications, however, that the situation has changed somewhat, with the rate of increase falling quite substantially but no one is yet getting over-optimistic about prospects, and a brief look at the recent record in respect of the major cost elements of construction shows why. Building material prices, according to the latest information from the Department of Industry, are still rising despite the fact that certain materials, such as timber and steel, are now well down in price, few people believe that prices are about to stabilise generally.

Materials

Increases in essential building materials over the past six months have ranged from 17 per cent. for cement and 18 per cent. for bricks, to 21 per cent. for plaster and 27 per cent. for some metal sundries. Increased costs in fuel and transport will ensure that the rises continue.

Wages, too, have presented the industry with a major headache at the worst possible time. Over the past twelve months, the true cost of labour is calculated to have risen by something approaching 27 per cent., comprising a 25 per cent. wage *increase and a further rise in* fare allowances. Under the period of income restraint now started, this element of costs will naturally be at least contained, although this will have no effect for some time yet. The wage increase which came into effect from the beginning of July itself represented an increase of 10 per cent. in the cost of employing labour.

Given this situation, the real question is just how long can contractors continue to absorb cost increases of this magnitude, particularly as the effect of favourable contracts from the previous period of high activity begin to fade. During the 1972-3 boom, it was a badly kept secret within the construction sector that companies were loading margins, sometimes as a mechanism for turning down new work at a time when capacity was strained, sometimes because customers were prepared to pay hefty premiums to get their contracts carried out.

Some tenders were priced as high as 20 per cent. above estimated costs, which already included substantial profit mar*gins for the contractor*. To-day, the tables have turned and contractors are in many cases having to slim margins down to minimum levels, while some entail no margin at all. Companies are digging into reserves to finance contracts in the hope that operations can just be kept going until the situation improves.

A recent report in Property Investment Review, confirmed this trend and pointed out that contractors faced with this situation were bound to look for ways to cut costs. The review said that if it was, in fact, only lower margins which were accounting for the drop in the rate of building cost increases, it was difficult to imagine that costs would continue for very long to follow the latest pattern. How long could contractors operate on such slim margins, on non-existent ones?

On the industrial building front in particular there is now a feeling that where a contract will not exceed one year in duration, it is possible to get a fixed price tender. While this would hardly affect office contracts at all, it could clearly be of considerable significance for warehousing contracts, where the construction of standard units to international specifications rarely exceeds such a time span.

In this context, as the review points out, it is interesting to remember the argument still running over the relative benefits of package-deal construction for warehouses. The method, which bypasses much of the normal procedure, such as architects' drawings and estimates, is not open to office builders in many cases as there are few contractors in the office field who have the necessary amount of experience to provide the complete package. It is argued, however, that the situation is very different when industrial premises are involved, where there can be real cost saving without undue loss of standards by adopting this system.

It is against this uncertain background of general economic recession and as yet uncontrolled inflation that actual output in the private industrial and commercial building sector has now hit a particularly low level.

Private

The very latest figures from the Department of the Environment show that while all new building orders were down overall by 2 per cent. in the second quarter of this year, experience in the commercial and industrial building sectors has been far worse. Orders for industrial construction work were, in fact, no less than 36 per cent. down on the first three months of the year and just over 40 per cent. below the level achieved in the same period a year earlier. Commercial orders, although they registered no change from the first three months of 1975, were 37 per cent. *down on the same period* 12 months earlier. In June itself, private industrial contracts were valued at only £18m. and the average monthly figure for the second quarter of £23m. was scarcely half the average of the past five years.

Neither is there any pro[…] of a substantial upturn prospects in the forese[…] future and the most en[…] aging thing the industry find to say is that, with improvement in the ge[…] economic situation, a gra[…] improvement in orders output might begin to emer[…] late 1976 or early 1977—a wait which, for some co[…] tors, could prove to be too

Michael Cas[…]

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Growing pressure on rents

IN ANY MARKET where trading is thin, it is difficult to detect price trends with accuracy. That is the problem with the industrial lettings market at the present time. The general trend in rents is either level or even downward, even though it is possible to detect contrary trends as well. The reason is that there is no such thing as a single lettings market: it is divided geographically, and in terms of old and new units; single or multi-storeyed units; large, medium and small premises, with or without office accommodation.

On the supply front there are strong pressures on developers and other landlords to find tenants. Agents King and Company, in their industrial space survey for mid-August, report a sharp increase from ...3m. square feet to 27.3m. square feet for warehouse space available for letting or purchase in England and Wales compared with March. An even more dramatic increase in factory space availability has occurred over the same period —from 23.4m. square feet to ...6m. square feet, according to the King figures.

These large increases reflect, of course, a lack of expansion and confidence among industrialists who hesitate to saddle themselves with additional space when demand is weak or uncertain. A breakdown of the King survey shows that a substantial volume of the available space is old-fashioned multi-storeyed premises in the major conurbations. As much as 58 per cent. of the factory space in the North West, for instance, is multi-storeyed, and 40 per cent. in the North East.

Much of this space appears to have come on to the market as a direct result of companies taking a tough line on rationalisation involving the closure of older factories and warehouses.

Useless

With the advent of truck-borne containers and juggernauts, older, cramped premises are quite literally useless to many industrial concerns. Not surprisingly the lettings market that does show considerable activity is that for modern warehouses and distribution centres well located in relation to the motorways. One leading agent, Chamberlain and Willows, reports that for premises of this kind in the 5,000 to 15,000 square foot range, rent levels are maintaining the peak levels achieved earlier this year. An even more bullish view was put out in June by Grimley and Son which predicted a rent rise for new industrial and warehouse properties in the west Midlands.

The underlying argument of those who expect a firming of the lettings market for modern industrial space is that building costs are constantly rising and development is at a low ebb. Thus, the protagonists argue, existing space that a developer can profitably let for £1 a square foot would cost £1.50 to replace.

When demand has soaked up the existing supply of modern space, runs the argument, there will be nowhere for rents to go but upward. The trouble with this line of thought is twofold: it presupposes a growing requirement for modern space—a questionable assumption in the current industrial climate of closure and cut-back—and it is not fully borne out by the facts.

Some property agents, notably the 24 who have formed themselves into Property Agents International to give something approaching a nation-wide service to industrial clients, said in July that industrial rents are showing clear signs of easing. Rents for the larger modern factories and warehouses had fallen back, they said, to the same level as at the beginning of the year.

These conflicting views are probably more apparent than real. Conrad Ritblat, for instance, suggests that the phenomenon being witnessed is pressure from the banks and institutions which have backed the developers of speculative industrial property. This pressure has as its object the letting of premises which are currently standing empty because the developers have been asking too high a rent.

The apparent fall in rents that then results when the premises are let is in reality no more than a move by a reluctant developer to trim his asking price to a level which the market will bear. Those inflated asking prices were never, in Conrad Ritblat's view, a true measure of rent levels for the good reason that they were not achieved.

There is one point on which most agents in the field seem agreed: inquiries for industrial space are holding up remarkably well even though many prospective tenants are showing a marked reluctance to complete a deal.

In the first four months of the current year Chamberlain and Willows received inquiries for about 15m. square feet of industrial and warehouse property which, although 14 per cent. below the comparable 1974 period, is quite encouraging in relation to the almost exclusively gloomy economic portents. More recently the agents have even noticed some increase in the willingness of clients to proceed with taking space "especially on a rental basis if the premises are suitable and terms are reasonable."

The general reluctance to conclude deals nevertheless remains a feature of the present industrial lettings market. In part this may be no more than the traditional activity of bargain hunting in a buyer's market. But in some other cases it almost certainly stems from a more stringent financial control being imposed from head office. Thus it is not uncommon for a local operating unit of a big company to agree in principle to take on more factory or warehouse space, only then to be told by its head office that such expansion cannot be risked at the present time.

For modern industrial space a curious situation is now arising and it is giving rise to some novel developments on the rental front. Few doubt that in the short-term it is indeed a buyer's market. But higher building costs and the decline in industrial development work now in hand leads both landlord and potential tenant to ponder how long this buyer's market is going to last. The answer to that question depends very much, of course, on how the country fares economically in the next two to three years.

Any optimistic industrialist who sees economic recovery round the corner must feel that taking space at the present time is a good investment and will provide him with relatively cheap facilities to meet demand when the economy picks up.

Altering

To meet the changing needs of landlord and tenant, the type of lease now being negotiated is altering. Although most leases specify rent reviews every five years, the popularity of three-year reviews in areas of high demand has increased. A decade ago most leases had review periods of seven or 14 years. In areas of weak demand, low introductory rents are sometimes being agreed for the first one or two years with a provision to the rent to rise to a higher figure or the market level at a later date.

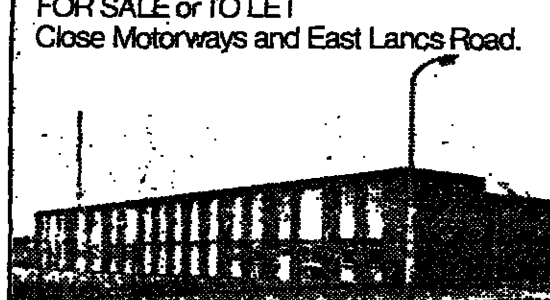
One method by which developers might ensure a healthy future cash flow from their new properties has, however, not caught on. Since 1954 Slough Estates has been operating leases with the rent geared to the wholesale price index and at present about 80 per cent. of its U.K. leases fall into this category. Enforceability, say the critics of the system, is the problem with indexation—and for any other developer who tried to switch to the system this could well be the case in current market conditions where tenants have cash flow problems and the open market in industrial rents is not rising in line with wholesale index.

Whatever the trends on industrial rents, the large disparity in rent levels around the country is likely to persist, since it is primarily a function of the cost, supply and demand patterns which shift only slowly. Thus in the South-East rents quite frequently reach £1.75 a square foot and can in exceptional circumstances go as high as £2.00-£2.50 a square foot for well located and well built modern warehouse units such as Amalgamated Investment and Property's new Westwood Park estate near the Western Avenue in London.

Almost equally high levels have been reached in other areas of exceptional demand like Aberdeen, which is riding on the North Sea oil boom. At the other end of the scale some of the northern English cities can quote far lower rent levels. In Manchester, for instance, where rents have held up much better than average, many new buildings are letting at 90p to £1 a square foot. On Ravenseft's Shepley Industrial Estate initial rents as low as 75p a square foot are being quoted for warehouse and industrial units. In the smaller towns rents of 60p are not uncommon.

Although the trend in rentals is almost certainly upward in the medium term, those who are relying on higher building costs to increase rents automatically are deluding themselves. Provided the decontrol of business rents persist, rent levels will be fixed by supply and demand and that in turn is a function of the rate of development (and the number of premises being vacated) on the one hand, and the strength of the industrial sector and its need for additional space on the other.

John Trafford



Making the old look new

A FEW WEEKS ago the Arcon Engineering Company gained a Heritage Year award from the Civic Trust for their restoration and adaptation of the late-Georgian Wallsuches bleachworks at Horwich, near Bolton. One of the earliest bleachworks in England, dating from 1796, this tightly knit group of stone buildings are one of the landmarks of the moors. They fell into disuse at the end of World War II and lay empty for 20 years, but now they have been given a new lease of life. Their stonework has been cleaned, all the woodwork and ironwork has been painted bright yellow, and the engine-house has been transformed into Arcon's reception.

Several other awards were given for the restoration and conversion of other industrial buildings, mostly mills and warehouses that seem to offer the best possibilities for imaginative conversion, usually into offices or flats, but surprisingly few buildings have been restored to industrial use —or if they have, they were not entered for an award.

It is not surprising that the country that cradled the Industrial Revolution should now have a legacy of some of the finest superannuated factories in Europe. But though they are old and outdated, their structures often have many years of useful life left in them. All they need is to be modernised. Their adaptability is shown by the various uses to which they are put, of which the most unusual is probably the conversion of a Victorian wool warehouse in the middle of Hexham into a 25-metre indoor swimming pool by the Tynedale District Council, after it had been suggested that the building was incapable of further use.

Renovation

One of the best examples of a group of industrial buildings being restored for continued industrial use is that of the Victorian railway carriage-works at Barton Park, Eastleigh, around which this Hampshire town originally developed. After the works had become disused a few years ago, they were bought by Grendon Securities, the company where Keyser Ullmann took over management control last year in order to protect loans of £17m. it had made to Christopher Selmes to enable him to gain a controlling shareholding in the company. Grendon intended to redevelop the Victorian buildings, but they found that their structure was so sound that they could be turned into a modern industrial estate simply by renovating them, instead of demolishing and rebuilding them. The scheme earned them a Civic Trust award.

Since 1948, successive Governments have insisted that new or expanding industrial companies should wherever possible be directed away from the South East and the Midlands to the areas of Britain with chronic unemployment. This has aggravated the poor conditions under which many industries continue to operate in the South East and the Midlands, because they would require an Industrial Development Certificate to rebuild their existing factories, let alone to expand them, and IDCs are not easy to come by. This ought to mean that many industrial buildings are modernised, because their owners cannot get permission to rebuild and they do not want to move away to a development area, but in practice surprisingly few of them have been modernised, which lends force to the arguments about lack of capital investment in British industry.

One notable exception is Babcock and Wilcox, which in recent years has undertaken the modernisation of several of its buildings in Southwark, using a firm of architects and engineers, Moxley Jenner and Partners, in a highly unusual way. It all began in April, 1970, when Babcock and Wilcox asked them if they could convert some vacant factory and office buildings in Great Dover Street belonging to one of their subsidiary companies. In the normal way, such a conversion of a rambling conglomeration of buildings of various ages, heights and structural condition might have taken 25 months. This was no good to Babcock and Wilcox: they wanted to move 1,000 of their staff into the 100,000 square feet of modernised accommodation on September 1 that same year—little more than five months ahead.

Could it be done? It could and was, being finished in just five months at a total cost of £401,997. Raymond Moxley, the 52-year-old senior partner of the firm that achieved this remarkable target, explains that it was done by "very straightforward organisation of human beings." Clearly there was no time to go through the normal stages of pre-contract work from design to tender. Instead the architects, surveyors and engineers worked out how much labour would be needed to meet the deadline, using week-end, overtime and parallel working. Then they prepared schedules of work, against which contractors were invited to tender, and rates were agreed for work that remained to be specified.

Within two months of the first approach by Babcock and Wilcox, Myton had been appointed main contractors and Drake and Scull services contractors and they were ready to start work on site. Three months later the work was finished. How was it done? Mainly, it seems, by breaking most of the rules that govern conventional building, and by keeping the architects at the centre of the operation.

Moxley, Jenner and Partners practically lived on the Great Dover Street site for the duration of the contract. They set up a group office with a team of senior men from the main contractors and the services contractors. In this way, problems that arose were solved on the spot. But the client also had his part to play.

At Great Dover Street, all the client decisions were made through the company secretary of the Babcock and Wilcox group. The building contract was a prime-cost fixed-fee one, but instead of having a liquidated damages clause, all the contractors agreed to allow other firms to be brought in to work in parallel with them should they lose one day from their programme. That did not prove to be necessary, but the architects found they had to study other people's attitudes to being so tightly organised on site.

That first contract was four years ago, since when Babcock and Wilcox have come back to Moxley, Jenner and Partners six times for further rapid building works. Other clients have also heard of the method, including the London Stock Exchange, who gave them just 11 weeks from brief to completion to create an air-conditioned computer centre for their international settlements division in a spec-built office block in Wilson Street.

Convinced

Raymond Moxley is convinced not only about the merits of rapid building but also about the potential that many old industrial buildings have for conversion.

What are the sums like elsewhere? Moxley considers that the 5,000 acres of London's docklands offer tremendous potential for conversion, especially to residential use, but he is even more concerned about the fate of the Cutler Street warehouses in the City of London, the sombre group of late-Georgian buildings that occupy a site of 4¼ acres a few yards east of Liverpool Street Station.

Built originally by the East India Company, using convict labour, they later came into the ownership of the Port of London Authority, who offered them for sale in 1972. According to Raymond Moxley, who was commissioned by Stock Conversion and Investment Trust to make a feasibility study of the warehouses, the PLA allowed developers just three weeks to prepare their proposals and submit bids. The successful bidders were English and Continental Properties, whose tender allowed the PLA to retain a share of the equity in any rents obtained in excess of £8 per square foot.

English and Continental agreed to pay the PLA some £13m. over a five-year period, together with further sums when redevelopment was to begin in 1978. The Cutler Street warehouses were not included in the £100m. portfolio of properties that E. & C.'s founders, Jack Walker and Ramon Greene, later sold to the Post Office Pension Fund. The warehouses are now bleak and empty, awaiting their fate.

"They are only lifeless because they have been allowed to become lifeless," says Raymond Moxley. "They are like a vacuum waiting to be filled. It might be necessary to take out the odd block in order to give adequate light and air, but some blocks could be turned into flats and others into offices, shops, light industrial premises and even warehouses. The brickwork needs to be cleaned and the windows painted, that's all. There is a credibility gap in refurbishing old industrial buildings. No one believes it can be done until they have experienced it."

Michael Hanson

Slack market in warehouses

WHILE OFFICE rents tumbled, the rents for prime warehousing held their own or even rose —that, at least, was the consensus of opinion during the first six months of this year. Industrial specialists even tended to be a bit smug about the relative buoyancy of their sector.

But about June doubts and disagreements began to creep in. Certainly inquiries for warehousing space remained higher than for offices, but when these were translated into actual moves there began to be definite downturns. Some firms of agents denied this despite the evidence of the Department of Industry that manufacturing companies would be investing 15 per cent. less than in 1974 in new buildings and plant.

By July it became apparent that even 15 per cent. did not measure the decline. Apart from space under 5,000 square feet for which there is always a brisk market, the actual number of deals completed was well down. This is reflected in the latest report from King and Co., industrial estate agents, who have provided figures for England and Wales showing space currently available in August to have increased from 20.26m. square feet in April to 27.3m. square feet.

Construction

Underlining this evident drop in demand are the figures for construction. King and Company put the amount of industrial accommodation (which is largely warehousing) under construction, and available for occupation within six months, at 4.63m. sq. ft. In April that figure was 12.4m. sq. ft.

Without a doubt these figures reveal a dramatic drop in confidence by the main industrial developers. In recent months, both Slough and Brixton Estates, two of the leaders in the field, have faced up to much reduced demand for warehousing.

The rental picture is less dramatic but after several months of loudly voiced conflicting opinions it is time to face up to the truth. Rentals, even for the best prime positions, are no higher than they were in January. In some industrial areas, such as Sheffield, they have even fallen back by some 5p-10p. There are, of course, a few exceptions, but the gains have been limited to around the 10p mark maximum.

Where the buildings involved are older (and only some 56 per cent. of all warehousing is less than five years old) owners are having to take sometimes quite massive, reductions in asking rents to shift their properties. Multi-storey buildings are, of course, the least popular, but this affects only about 12 per cent. of the warehouse stock.

Another pointer to the rental situation, which some agents are still trying to talk up, came two months ago from Fairview, a company better known for its housing developments but also active in industrials. Fairview have offered their industrial tenants a 20 per cent. rent rebate for the first two years of occupancy.

Then there are the obvious signs of inactivity in site assembly. None of the major agents or developers are involved in more than a handful of site assembly operations. Sales of zoned industrial land, with planning permissions, are occurring, but even they are sluggish.

Slough Estates' purchase of the former Sutton Seeds site at Reading (which gave them 160,000 square feet in existing buildings, now let for 35 years on five year reviews, plus a further 43 acres of developable land) is likely to prove unique for the next year. Part of the trouble here, of course, is the threat of Development Land Tax and the Land Bill; Brixton, for example, has castigated the Government for its "doctrinaire" legislation, and threatened to concentrate abroad.

But legislation is, for the industrial sector, only an irritation. The real reason for the downturn is the economic recession.

It has made manufacturers and distributors extremely reluctant to move premises at all. In turn this throws some doubt on the practicality of the recent London Chamber of Commerce claim that some 12 per cent. of industrialists in London and the South East intend to move right out of the region, and a further 24 per cent. intend to accommodate their next expansion out of the South East.

The figures probably represent what industrialists would like to do — a natural reaction to the enormous rates and rent burden in the South East — rather than what they are likely to do.

The same common-sense approach (which, basically, is just facing up to reality), makes one question the pressure being brought to bear by some agents on the Government to permit companies to replace outdated premises with new buildings of the same area, without running foul of the IDC restrictions.

While one must agree in principle with the need for such flexibility — some warehouses and factories in the inner London area, particularly, are wretchedly inefficient — it is doubtful whether a change of heart by Government at this time would spark off a bustle of new building.

Expense

Manufacturers may want to abandon their rat-infested, low-rise buildings for similar sized premises which are not such playgrounds for vandals, have adequate rubbish disposal areas, and the right height and turning areas, but such things cost money. It is too often forgotten by those who support decentralisation and decanting from premises to others, that the physical move is an expense which can become a disaster in lost orders if all does not operate to military standards.

Position has become the single crucial factor. Transportation costs are now so high that time and money is just not available for that extra journey off the motorways and through the twisted narrow lanes with which most of this country is historically saddled. Few wish to meet the anti-juggernaut forces head on. Close proximity to a motorway has become a "must" for all industrial estates except those few serving sub-distribution branches for in-town servicing.

Height and turning space for lorries are the next main considerations. Most modern warehouses are being built to a 20 feet eaves-height. This is a satisfactory height for the most part but there is a growing (though small as yet) demand from some of the national distributors for heights of 25 feet or even 30 feet. New automated stacking machinery has made stacking up limits expand.

Ancillary office space is not so significant. Most developers build such offices on ratio, and there have b complaints. Where a facturer requires more than this (in the ex example, where he int decant a division of th pany into the wareho usually makes prior ments and takes pre-le ally custom-built premi

Parking and turning s lorries, however, is a c matter. The juggernau tinue to lengthen, and pr to motorways and the e of the motorway syst made them more pra But if they cannot tur once they have reache destination, the savi containerisation are l seems realistic to sugg the optimum turning spa cated for each unit sh between 80 feet and 100

Fortunately, the shori ing" cycle involved in housing permits in developers to be much responsive to such c needs. But this is whe drastic reduction of d ment programmes will hurt.

With only 4½m. squa under construction, m turers will shortly be w for the most up to date pr and facilities. They are j being built. This is ba why industrial investm beginning to look so att to institutions. The insti are taking a very active i in prime warehouses, a the very best appear to be to drop yields by a fu centage point from the j cent. plus levels prevaili months ago. What they e is a looming shortage will be a bolster to ren modern premises.

At the same time, one not make too much o shortage—nor, for that m of the sluggish rental po In some quarters the indu sector is crying louder than mon sense would dictate. will probably slump gentl the rest of the year, excep exceptional positions. Th only to be expected; but th will not be so great that pro tive tenants should hold ou six months against interests, merely to secu lower rent.

Christine N
Editor, Pro
Investment R

Rates and planning

THE ACTIVITIES of local authorities impinge upon the industrial property owner in a variety of ways but the two most obvious are through their use of local planning powers and through the rates that councils levy upon industrial property. Both can have an influence on locational decisions.

The local rate may once have been a relatively marginal matter, or even something that could be ignored altogether—apart perhaps from the questioning by some capital-intensive industries of the wisdom of making industrial plant and machinery the basis of industry's rateability. But the steep increases in local rates of recent years, with the average levy upon business more than doubling in four years, have altered all that.

Already, one can find instances of some smaller industrial concerns being forced to consider whether they should go on operating in a particular area. We have not yet reached the position where rates are the decisive factor, but they are a more important consideration than they used to be.

The present system of local government finance is now being reviewed by the Layfield Committee but it remains to be seen whether the committee will be able to come up with some proposals for reform which meet general approval. The trouble basically is twofold. In the first place, local government spending is now so large—it is currently absorbing about 18 per cent. of the Gross Domestic Product—that the conflict between the concept of local autonomy and central responsibility for demand management has become acute. Secondly, the tradition of local autonomy has already been seriously eroded by the extent to which local activities are governed by parliamentary and ministerial decisions (probably about 80 per cent.) and by the proportion of local current spending which is financed by Government grants (about two-thirds of net rate- and grant-borne expenditure).

At this level of grant-financing, the "gearing effect" on rate calls of any over-run in local spending arising from inflation or excessive growth or because of a major change in the distribution of grant between authorities is considerable. And all three factors have been present in the last two or three years.

Local authorities, being highly labour-intensive, are particularly vulnerable to inflation. The Government is trying to persuade local authorities to achieve a very sharp, indeed almost abrupt, deceleration in the growth of their spending and it has been setting the grant on that basis. And the distribution of grant between authorities has been changed quite substantially.

Remote

Yet the chances of this or any other Government removing the last vestiges of local autonomy by abolishing local authorities' independent tax-raising powers seem pretty remote. So the basic question is what form of tax-raising powers should local government have? Many people would like to see the domestic rate replaced by a local income tax surcharge but the administrative difficulties would be formidable and the local rate would still have to be retained for business property.

As it is, there is already a major and growing divergence between the household and business rate. At the present level of domestic rates relief, the householder is effectively de-rated by about a quarter and the business ratepayer is contributing almost 60 per cent. of the total national rate-call. Clearly, the industrial property user has much at stake in whatever changes result from the deliberations of the Layfield committee.

The local planning system, by contrast, has already undergone major changes. Structure and local plans were substituted for the old system of development plans in 1968. The local government structure, and thus the distribution of planning functions, was re-organised last year. The Dobry report has proposed some important measures of simplification in the development control procedure. And, in the Community Land Bill, the Government is proposing to add very considerably to local authorities' powers of acquisition of development land.

It is, perhaps, too soon to judge the full effect of all these changes—apart perhaps from the latest which appears to be a very ill-judged measure and one which is hardly likely to endure. Barely half the structure plans which are due to be prepared under the 1968 Town and Country Planning Act have yet been submitted for Ministerial approval and barely half of those have yet gone forward for public examination.

Yet while the new system will clearly take time to bed down, it should in theory at least be better than the old development plan system, which was narrow in scope, cumbersome, and distinctly unresponsive to changing circumstances. The division of function between structure plans (which deal with general aims and policies) and local plans (which say how these plans are to be implemented) certainly represents an advance, as does the requirement to relate structure plans both to the Government's own physical, environmental, social and economic policies for the area and to the resources that are likely to be available.

The Dobry reforms also seem to possess merit. Anywhere between 400,000 and 600,000 planning applications are made in the course of one year and on average about 80-85 per cent. of them approved. In the light of these figures, it seems only sensible to adapt the development control system so as to distinguish between planning applications that are likely to arouse controversy and those which are relatively simple or minor.

On the other hand, the wisdom of the change to a two-tier system of local government virtually throughout the whole country is less certain. In the first place, it has increased the number of separate local planning authorities in England and Wales alone f 177 to 458, although it ha be recognised that about authorities had previ exercised some develop control functions under del tion arrangements. Seco the change came at a time w local authorities were burde by the largest ever flow planning applications (reflec the development boom 1972-73).

Thirdly, local authorities some areas have adopted t complicated development c trol schemes permitted un the 1972 Local Government A As the Dobry report has poin out, there is an over-rid need for a clear division of r ponsibilities between cou and district and for a limitati on the two-way flow of pa between the two.

Intermixed

The overall effect of all the changes, however, has been make clearer local authoritie responsibility for concerni themselves with the gener economic prospects of the areas. Economic planning ma primarily be a central respo sibility but local governmen has been implicitly involve ever since the local plannin system was established in thi country nearly 30 years ago— in some areas earlier still Inevitably, the two processe are inextricably intermixed.

Central government has to be satisfied that over the country as a whole all needs for land are met, and that local plans taken together are realistic, do not make impossible demands on investment, add up to a coherent and practical pattern of development for the country as a whole, and comply with national policy for the distribution of employment. But local government has a major part to play in helping to make sure that national and local aspirations are fulfilled and that opportunities for industrial and other developments are not lost either by too rigid an adherence to pre-conceived views or by a failure to provide the right kind of infrastructure.

Colin Jones

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Regional policy incentives

[REG]IONAL development policies of one kind or another have been operated in this country for over 40 years and [thro]ughout that time the basic [obj]ective of "taking jobs to [wor]kers" has been generally [acc]epted. Yet, while the objec[tive] has remained unchanged, [the] methods by which it should [be] achieved have not. Not sur[pris]ingly, therefore, there have [bee]n repeated changes in the [me]asures making up regional [pol]icy and this has undoubtedy [hel]ped to reduce their effective[nes]s.

[U]p to a point, this constant [chan]ge and change is understand[abl]e. Regional imbalances are a [hig]hly charged political issue [and] successive governments [res]pond to these pressures by [re]defining the nature and level [of] regional incentives, the rules [gov]erning their application, the [ext]ent and status of the assisted [are]as, and the rules governing [the] issue of Industrial Develop[me]nt Certificates. Yet, as the [evi]dence collected by the House [of] Commons Expenditure Com[mi]ttee has recently shown, the [fre]quency of these changes and [th]e corresponding lack of any [gu]arantee of continuity have [ten]ded to encourage industry to [di]scount or even ignore the [va]rious cash incentives which [mi]ght be available.

Fortunately, this lesson now [se]ems to have gone home. When [th]e present system of regional [in]centives was introduced by [th]e Heath Government in 1972, it undertook to maintain them at least until the end of the transitional period of EEC membership in January, 1978, a commitment which the present Government has so far endeavoured to uphold.

This promise of continuity is of course more limited in scope and effect than *might* be assumed. As a matter of constitutional form, no Parliament can bind its successor. The undertaking was limited to the range of cash incentives introduced by the 1972 Industry Act—regional development grants and selective assistance under S.7 of the Act. It did not apply to the demarcation and status of the assisted areas—whose scope was somewhat extended last year—or to the exemption limits and geographical scope of the industrial development certificate system and the guidelines within which applications for IDC's are handled.

Retained

Nor has the promise of greater continuity prevented the present Government from endeavouring to put its own preferred gloss on regional policy. The Regional Employment Premium, which was due to be phased out a year ago, has been retained and the amount of premium doubled so as to bring its real value back to more or less the level that obtained when REP was introduced in 1967. The proposed National Enterprise Board is to be charged with a special responsibility towards the areas of high unemployment and ageing industry. Separate development agencies are to be established for Scotland and Wales. And the creation of new jobs in the assisted areas is to be one of the aims of the planning agreement system.

It is true that the need for greater continuity in the financial assistance made available under regional policy has been recognised in the arrangements that have been proposed for planning agreements. The Government has said that it will undertake to continue paying regional assistance for the projects covered by a planning agreement throughout the duration of that agreement at rates not below the levels in force when the agreement was made. But the main burden of the present Government's innovations will be to add to the element of selectivity in regional policy and to increase the public sector's direct involvement in regional development.

Although the concept of selectivity was considerably extended by the 1972 Act, the bulk of the money currently being spent by the Government on regional development is still paid out in the form of grants at standard rates. In all, more than £500m. will be spent on one form or another of regional assistance during the present financial year. This does not include the sums being spent on infrastructure which in a sense is a form of selective assistance. But it does include the expenditure on advance factories, which has been stepped up substantially in the last couple of years, the selective assistance made available under s.7 of the 1972 Act, removal grants and grants towards the cost of transferring key workers, the expenditure of the Highlands and Islands Development Board, and the payments of regional development grants and regional employment premium.

Of the total of over £500m., probably about £450m. will be paid out in the form of regional development grants and regional employment premium. These are paid at standard rates on qualifying capital expenditure and employees (principally in manufacturing industry, plus mining and construction in the case of RDG's) to firms that are already established in the assisted areas as well as to those moving there. In the case of regional development grants, the rates are 22 per cent. for building works and machinery in the special development areas, 20 per cent. in the development areas, and 20 per cent. (for building works only) in the intermediate areas. In the case of the regional employment premium, the *new rates* are £3 a week for every full-time adult male employee with lesser rates for women, youths and part-time workers.

The relative merits of standard and selective assistance is a subject of endless—and still unresolved—debate. The extension of the concept of selectivity embodied in the 1972 Act aroused widespread suspicions. Could public money be handed out equitably on selective basis? The question has not been stilled by relatively modest use which has so far been made of S.7—or, rather, by the relatively modest sums which have so far been paid out under this section. This is partly a reflection of the time that must inevitably elapse while applications are prepared by the companies concerned and processed by the Department of Industry. But it also stems from the much greater recourse than expected to interest relief grants—a form of subsidy to reduce the effective cost of commercial loans—instead of Government grants and loans at concessionary rates. The net effect for the company is much the same, but the outlay of public money is very much smaller.

Implicit

Selectivity is not a new concept. It has been implicit in the system of Industrial Development Certificates which has existed since 1947, as the decision to grant or deny an IDC can often involve an element of horse trading. Small and medium-sized companies can be deterred from expanding at all if an IDC for a new plant or extension in their present location is denied since the managerial costs of trying to run two plants a considerable distance apart can be prohibitive. At the other end of the scale, there is the example of the car manufacturers who were obliged by the vigorous use of IDC powers to set up new plants in the North-West and in Scotland at a cost disadvantage which has not in all cases been offset by the financial incentives they have been paid.

How much difference all this has made to industrial location it is hard to say. There is some evidence to suggest that regional imbalances would have been perceptibly greater to-day had regional policies not existed throughout the last forty years, but the precise difference is almost impossible to quantify. Industrial expansion in the Midlands and South-East has been made more difficult and some companies—including foreign firms—have been marginally influenced in their choice of location for a new plant by the range of Government assistance available—although that influence is balanced against other locational factors, such as the availability of manpower and ease of access to markets. Moreover, since Britain's entry into the EEC the range of concessionary finance available for new industrial projects has been widened by ECSC and European Investment Bank loans, which do not count as Government aid.

Colin Jones

Advice from the agents

[A]S THE VALUE of industrial [p]roperty has steadily risen and [th]e complexities of planning and [t]ax legislation have increased, [s]o has the importance of having [a]dequate and full professional [a]dvice for any decision about [r]enting, buying or investing in [f]actory or warehouse property. The potential pitfalls in this field are numerous—not least because *industrial* property appears, at least superficially, less complicated than offices or shops.

In practice, it is no less difficult, partly because apparently simple decisions about location are not as straightforward as they seem. Whereas in the case of office and shops the prime location is fairly obvious, the problems in deciding the right position for a warehouse or factory are not so clearcut. Similarly, it is just not true to say that one factory is like another, since the details of design—eaves height, parking and loading space, etc.—are vital importance. At one level this is reflected in the great problems many companies now have in getting rid of multi-storey space since they may have forgotten that they will not occupy the space for ever and may have to let or sell it again.

So considerable care is needed in choosing a factory or warehouse building—even more so at present when the selection of property available is so large. Moreover, it also tends to be forgotten how much money is tied up in industrials—after all, a reasonably sized warehouse or depot of, say, 50,000 square feet anywhere near London could cost between £60,000 to £75,000 a year in rent, apart from rates.

In view of all this, the role of the specialist independent adviser is of great importance. There are several agents well-known for their specialisation in this area—for example, Chamberlain and Willows, King and Co., Grant and Partners, Grimley and Son—while most of the larger firms of surveyors now have specialist departments offering advice on industrial property—for example, Richard Ellis, Donaldsons, Bernard Thorpe, Edward Erdman, Hillier Parker, Conrad Ritblat, and Knight Frank and Rutley.

Most of these firms offer the usual range of professional advice—on site location, acquisition and development, project management, letting, finance, investment, landlord and tenant negotiations, rating, valuation and management. An example of the type of client for which such an agent might provide a full range of assistance is a large international company looking for a major U.K. distribution depot in the South. The agent can point to the range of alternatives of location and the choice of either taking space in an existing speculative scheme or having a unit specifically built to the company's requirements, and the range of building allowances and grants available. And it might then act as project manager.

An essential point is the availability of a wide range of information upon which to base decisions, which can be more difficult than with more closely defined and compact markets like offices and shops. After all, according to the latest King and Co. survey, there is 27.3m. square feet of warehouse accommodation vacant to let or for sale, and 33.62m. square feet of factory space in a similar state in England and Wales. There are at least 90 buildings of more than 100,000 square feet on the market: it would probably be hard to find as third as many office properties of this size available even in to-day's market conditions.

This wide range of choice underlines the need for full information to be available on the space on offer. Many of the leading industrial agents do maintain detailed registers of warehouse and industrial property throughout the country—and some of the details can be gleaned from the regular brochures produced by firms such as King and Co. and Chamberlain and Willows.

But it *is arguable* that there is a need for even more information—particularly on rents, where there is at present a degree of confusion about the levels achieved in various places. This has been highlighted recently by the debate over the extent that rents have fallen, if at all, in the last few months. The general conclusion has been that rents have levelled off, rather than fallen, although some over-ambitious asking rents have had to be reduced in certain cases. The whole matter would have been much simpler if more information on rent levels had been publicly available—and the same point, of course, applies, possibly with even more force, to central London offices.

Intervention

A further layer has recently been added to the normal range of advice which an industrial agent provides because of the growing range and complexity of Government intervention. Owner occupiers and developers have, of course, had to grapple for some time with Industrial Development Certificate and restricted planning use controls, but now have to face the implications of the Development Gains Tax and, in the near future, of the present Government's Community Land Bill and the Development Land Tax. The latter two measures, if fully implemented, will change the whole context in which industrial and other development takes place.

This will provide a whole range of new opportunities for agents. Many firms have recently been stressing the comprehensive services they can offer to local authorities, which will be faced with a whole new range of responsibilities under the Bill as the main agent for the acquisition of development land and initiator of development schemes. It is expected that the local authority demand for consultancy services will increase—and anyway a number of agents already act as advisers to local authorities and statutory bodies in new or expanding towns, and in the assisted areas.

Another result of the Bill and current trends in taxation may be to stimulate a revival of the industrial owner occupier. Thus the Inland Revenue's guidance notes on the Development Land Tax earlier this year indicated that industrial companies which own their own development land and then build on it factory or warehouse space for their use will not have to pay the tax.

Owner occupiers may anyway be attracted to undertake their own development in view of the sharp fall in land prices from the peak levels of two years ago and by the fact that money is nowadays frequently more readily available to them than to many property companies. And while many of the largest companies already have large specialist estate and property departments, many companies do not have a sufficiently large staff to cope with a major acquisition and development programme. So there could be more scope for the specialist industrial agent here—and many are working hard to attract business of this kind to compensate for the fall-off in development and, more recently, letting business.

Peter Riddell

Distribution cut-backs

CUTS IN PUBLIC spending are falling heavily upon the local authorities and among their activities which can be expected to suffer most will be roads improvements under their jurisdiction. The problems of urban traffic and the adequate servicing by roads of industry in the urban areas are thus likely to grow during the period of financial stringency.

But there is a more cheerful side to the picture. The Government-financed motorways programme (already feeling the pinch from decisions last year to transfer funds from road-building to further subsidise the railways) is not likely to be the target of further swingeing cutbacks. Projects in the pipeline are unlikely to be interfered with seriously, and long-term planning for the motorways of the 1980s is still going ahead.

It does seem to be recognised in Whitehall a sure way to undermine an industrial economy primarily dependent upon a sophisticated road transport system (more than two-thirds of all freight in Britain now goes by road) would be to mark time on the development of the motorway network, leaving it in its present uncompleted state. There are now over 1,200 miles of motorway in the country but there are also some glaring gaps in the system. Full and satisfactory operation of the motorway system can only come when the many comparatively short links now being constructed or planned between the basic skeleton of motorways—the M1, M4, M5, M62, etc.—are open to traffic and fast, clear runs can be promised for goods traffic between manufacturing areas and the ports.

Maritime

When the post-war reshaping of Britain's internal transportation began it was—with the benefit of hindsight—conducted in a shamefully ad hoc way. Some early roads and motorways were provided either for political reasons or because area authorities and interests pressed hard—and were most willing to co-operate to get their new facilities. Little regard was paid to the changing patterns of activity around and about Britain; to the decline of some industrial areas and the growth of others; to the changes in port usage and practices resulting in the prosperity of some new and efficient ports and the long twilight of inactivity over some of our traditionally-great rivers and estuaries. The need for a fledgling motorway system to link through maritime facilities with the European market was given such a low priority that at times it seemed non-existent.

Things have changed for the better during the last ten years. There is a much clearer appreciation of the need to balance regional regeneration on the one hand and the new aspirations of trade and industry on the other. The pattern of economic development has, of course, become clearer as traditional Empire trading ties have been broken and the long uncertainty over the final relationship between Britain and the Common Market has been removed.

It is possible now to be more certain about the future of the ports which are, after all, the fixed points about which our web of motorways and rail links must be spun if the systems are to be commercially efficient. Thus new recognition is being given to the importance of the Channel ports, the enterprising East Coast ports offering links with North Europe, and to Southampton with its strategic relationship between world shipping routes and the industrial growth areas of the Midlands and the South.

It is, however, a measure of the extent of past blindness to trends and opportunities that no motorway or high grade truck route yet exists from the Midlands to the booming East Anglian ports, or from the Midlands south to Southampton.

The industrial and the property worlds have found themselves working very closely in developing distribution and storage depots sited to make maximum use of the motorway network. A confluence of motorways to-day offers a prime site for development in the way a canal junction did 200 years ago, or a railway junction 100 years ago. Warrington, for instance, within memory a rather tired little South Lancashire town, is now enjoying the splendour of new town status while warehousing, distribution, and manufacturing flourish there. A hundred miles or so further south down the M6 a site at Elmdon outside Birmingham is in the final stages of completion as the National Exhibition Centre. It is virtually at the hub of the national motorway network.

As the M62 has been extended during recent years eastwards to link the hitherto isolated city and port of Hull a completely new pattern of trading and business inter-action has begun to emerge in the north of England.

Indeed, not only is it seen in the north. The manufacturers of the Midlands are already looking to the opportunities that will be theirs when the Humber suspension bridge is open—hopefully by 1979—and Hull's facilities become easily available to them.

A successful feature of distribution associated with motorways has been the development of small trading estates on sites alongside the roads. They have the advantage of flexibility both for their sponsors and for using companies. However, some businesses have preferred to set up their own tailor-made motorway distribution facilities. A case in point is the Organics Division of ICI which concentrates the products of its several factories up and down the country upon a special depot in Lancashire near the M6 and M62 and distributes from there to customers and to the ports.

Established

The new British communications systems are now essentially installed and well-defined in the shape and form in which they will have to serve the nation for perhaps the next half century. The basic motorway pattern has been established, although doubtless it will be continuously extended and refined to suit trends in traffic movement.

The extent of the railways' role will depend upon the extent of Government subsidies; for the art of running a railway at a profit appears to have been forgotten throughout the world. But the railway network is likely to be further trimmed in the long term. New railway routes would seem so remote a possibility as not to enter into the calculations of any industrialist planning how to get his goods from A to B. In addition, the pattern of future port traffic is now rather clearer than at any time since the war.

It all adds up to the fact that business should now be able to take intelligent and right decisions about transportation and distribution when planning new industrial operations in Britain. The basic transport net is there—or almost there. It is a matter of every company seeing how to get the best out of it to-day, next week, in ten years' time.

While industrial investment stagnates during this recession the matter of fitting production to transportation will not be exercising too many heads. But come the next round of investment by British industry and it will, overnight, become an urgent question.

Then where should the factories go? Should they be in a far northern development area enjoying the Government's blessing and the grants and privileges of Development Area Status but with a 200-mile motorway haul south to main markets? Should they be in the Midlands where some diversification out of engineering and motors is being sought by local leaders. Or should the manufacturer site himself in the south next to the Channel routes to serve both the home market and the other EEC member countries?

It does seem that the easing of many of Britain's traditional communications problems is storing up a number of other problems. In particular it is going to be increasingly difficult for any government to pursue policies of taking the work to the people—that is, propping up old industrial areas by cajoling new industry into them. The growth of new industrial activity along the motorway routes already illustrates how business will, in future, be interested the most in virgin sites which, by reason of new roads and ports, have an economic edge over their older industrial counterparts.

Roy Hodson
Regions Editor

National centre for exhibitions

BUILDING WORK at the new National Exhibition Centre at Bickenhill, near Birmingham, should be completed next month, well ahead of the Centre's opening on February 2 next year. The NEC is already fully booked for its first year of operation and a healthy interest is being shown by potential exhibitors in space for subsequent years.

Built at a cost of £25m., the Centre will provide 1m. square feet of covered exhibition space on a site of 310 acres. Although it will not be the biggest centre in Europe it will undoubtedly be large enough to accommodate any international fair at present contemplated in Britain. As such it fills a gap which has needed filling for the past 30 years.

This has been fully recognised by the Association of Exhibition Organisers, once an apparent opponent of the concept of a National Centre of such obvious importance being sited in the Midlands, rather than in the London area.

As the Association's Director, Mr. G. A. M. Ritson, has said: "This sector of the exhibition industry gladly makes public acknowledgement of the worth of the National Exhibition Centre. We appreciate that it will be the shop window of British industry and will have a vital part to play in our exports and balance of payments."

Nevertheless, as Mr. Ritson pointed out, there still remains a crying need for modern exhibition facilities in London, both for public shows and those technical fairs which choose to remain in London. A brand new exhibition complex in the London area is obviously a non-starter in the present economic climate, but a thoroughly modernised Earls Court has possibilities and for that reason the Association is supporting the proposed modernisations scheme for this hall.

It is a measure of the confidence shown by the National Exhibition Centre company at Bickenhill that it views the prospect of modernisation at Earls Court with complete equanimity. And this confidence appears to be well founded.

The NEC has five halls grouped around and directly accessible from a central piazza. One hall can be divided into two and the remainder can be used as self-contained units. If required for a major event all five halls can be converted into one vast 921,770 square feet unit by opening full-height shutters between them.

All of the halls are on ground floor level and, if necessary, more than one exhibition can be held at the same time. A sixth hall, smaller than the others, is separated from the main complex and is designed for small exhibitions, especially those requiring high security.

The gross exhibition space made available by the construction of the NEC is 962,510 square feet, divided in the following way: Hall 1 has 150,800 square feet, Hall 2 has 124,000 square feet, Hall 3 (both sections) 199,190 square feet, Hall 4 has 179,760 square feet, Hall 5 has 268,020 square feet and Hall 6 has 40,740 square feet.

The internal height of the halls varies from 28.2 feet to 54.8 feet, except in Hall 5 where a central section gives a height of 74.8 feet. Another feature of the halls is the fact that their supporting columns are at least 98 feet apart, providing exhibitors with the sort of uncluttered display space they have long wanted in Britain.

Entrances

In all, the NEC complex has 37 goods entrances with electrically-operated wide and high doors, located around the exhibition halls. Wherever possible, these doors have been placed so that lorries can drive into the halls, unload and drive straight out.

Exhibitors will find that electricity, gas, water, waste disposal, compressed air and telephone line services are contained in an underfloor channel system. Every 20 feet there are take-off points to which the required services can be brought quickly along ducts from the main channels. Air conditioning will circulate warm or chilled air as required.

The central plazza, planned around two outdoor gardens, will have shops, a travel centre, banks, postal services, a medical centre and a communications centre. The catering block of the plazza will contain a restaurant and bar, 12 private suites and an exhibitors' club, restaurant, bar and lounge. In addition, the piazza area will include the NEC company's administrative headquarters.

One of the most important factors which led to the choice of the Bickenhill site for the NEC was its ease of access for visitors arriving by road, rail or air.

As far as road travel is concerned, the NEC complex benefited from the fact that the M.1, M.5 and M.6 motorways already converged on the area from the north, south and west of the country. To complete the circle, an £18m. development of the M.42 motorway will make the site more accessible from the east.

British Rail has nearly completed a new station to serve the NEC, to be known as Birmingham International, at a cost of £5m. This has an entrance directly on to the Exhibition Centre complex. By the time the first exhibition opens BR will be operating two fast trains an hour each way between London and Birmingham during the morning and evening peak periods, stopping at the new station, and six slower trains an hour to Birmingham and Coventry, each eight miles away from the NEC.

For trains stopping at the Centre, the initial journey time will be just 80 minutes and this could be reduced to little more than an hour if and when the Advanced Passenger Train is brought into service on the route.

The West Midlands Metropolitan Council is now preparing design plans for a new £32m. terminal at Birmingham's Elmdon airport, linking it to the Exhibition Centre. In addition, there is a possibility that the airport authority will be allowed to extend the runways there at some stage so that it becomes a truly international airport.

Within the centre itself there is visitor parking for 15,000 cars and 200 coaches in four landscaped parking areas. Reserved car spaces for exhibition are being provided close to the exhibition halls.

Apart from the centre complex itself, the Bickenhill site also houses two hotels, the Birmingham Metropole, costing £12m., which contains 500 twin-bedded rooms and conference facilities for up to 1,600 delegates, and the Warwick, a more modest 125-bedroom hotel.

In all, it is estimated that there is hotel accommodation for 14,000 people within a 20-mile radius of the NEC, compared with only 7,000 within the same distance of the exhibition centre in Hanover, which is four times as big.

Harold Bolter
Industrial Editor

Ulster's deadly game of brinkmanship

GILES MERRITT reports from Belfast, Sunday

EVENTS ARE moving fast and confusingly in Northern Ireland. The furore that surrounded Friday's statement by Ulster Secretary Mr. Merlyn Rees, doggedly sticking to his security policies, has just as suddenly been stilled by fresh hopes of a political settlement.

With Mr. Rees's refusal to counter republican terrorism by closing the Provisional Sinn Fein Incident Centres and ending the release of suspected Provos in Long Kesh, there has been some fear of reprisal raids against ordinary Catholics in the Province by Protestant paramilitary gangs. Bent on avenging republican killings in South Armagh, and in the belief that after the London Hilton bomb outrage British public opinion might not be overly offended, loyalist UVF and UDA gunmen were ready for action.

Sanity

As if any further encouragement were needed, it may have seemed that there was no longer the constraint of a political solution in the offing. Because of the efforts of the Democratic Unionist leader, the Rev. Ian Paisley, to wreck the emergency agreement that the Convention inter-party talks were tentatively feeling their way towards, the Convention semed to be in danger of falling apart.

Then on Saturday sanity returned—from the unexpected quarter of the paramilitary. Instead of firing off the first salvoes of civil war, the Protestant paramilitary chieftains backed the Convention. At a surprise meeting, they called for the inter-party talks to be continued. Mr. Paisley's two partners in the United Ulster Unionist Coalition, Vanguard party leader Mr. William Craig, and Official Unionist Mr. Harry West, were already deeply resentful of Mr. Paisley's unilateral moves late last week, apparently designed either to adjourn the talks or to stage a Loyalist walk-out. With their new attitude, it was the Paisleyites who were out in the cold.

Mr. Rees's local TV appeal on Friday evening was a restatement of his approach to security in Northern Ireland, and was made at a point when the breakdown of civil and military authority seemed to some observers to be closer than at any time since 1973. For the time being at any rate, the Stormont Castle view that a government policy that bends with the prevailing security wind inevitably compromises the process of searching for a political and constitutional peace, has been justified by events.

Failing another postponement of the Convention's plenary session, now scheduled for Thursday after two previous postponements, the inter-party talks between UUUC and Catholic SDLP leaders still have only days left to come up with a formula. Although the para-military chieftains backed away from the brink this weekend, Ulster is still like a man contemplating suicide, perched undecided and precarious on the window ledge.

Doomsday

Brinkmanship is now second nature to Ulstermen; a game everyone plays. Last week the Loyalist hardliners, and especially the para-military groups, indulged in it by issuing Doomsday threats of murder and a paralysing general strike in order to push Mr. Rees into clamping down on Republicans. Mr. Rees's own administration at Stormont Castle relies on it for political breathing space, as is natural in a situation that includes so many conflicting parties.

A policeman examining the wreekage after last week's explosion at McCann's Bar, Loughgall, Armagh.

To the Ulster politicians of both sides, brinkmanship is the essence of the job. This week they will apparently be trying harder than ever to agree the details of what could be an "emergency government" proposal: an uneasy and temporary coalition of UUUC and SDLP, with Cabinet participation also extended to the centrist Alliance Party and Mr. Brian Faulkner's moderate UPNI.

Whatever the details, the hope is that the widespread violence is pushing the old antagonists into adjusting their fixed party positions in favour of the need for an immediate breakthrough. Their brinkmanship, of course, encompasses both the need to hurry before violence eclipses politics and the very real problem of keeping their militants in line.

The prize for brinkmanship must however surely go to the Provisional IRA. It is keeping everyone guessing as to whether or not it is resuming full scale hostilities. Some gunmen—probably connected with the Provos—are giving the British public a foretaste of a new terror campaign even more determined than that of last year. Belfast has been threatened with similar attentions. The gunmen have waged war on the Protestants of South Armagh and on members of the Ulster Defence Regiment living there: yet in spite of this return to violence the Provos have so clouded the issue that the ceasefire remains a factor that Mr. Rees and the Army must contend with.

To most people, and especially to those killed or maimed by the Provos in the past month, it matters little whether the terrorists are dissidents acting in defiance of the Provisional IRA's ruling Army Council in Dublin, or obedient Provos simply pretending to be dissident so that the organisation can have its political cake and eat it. The Provo leadership has denied authorising the London attacks, but then it has denied many atrocities that were eventually laid at its door. In South Armagh, notoriously a Provisional IRA stronghold, the gunmen are acting under a new name; calling themselves the Republican Action Force and so apparently absolving the Provos of responsibility.

The confusion surrounding the Provisional IRA's role has sparked lengthy speculation about a rift in the seven-man leadership council, with hawks and doves at each other's throats and one side ordering operations and the other denying responsibility for them. Whatever the truth the fact remains that to some degree the Provo leadership is hanging on to the ceasefire.

Vacuum

Just why is far from clear. Until the current spiral of violence began early in August, it was generally held that the Provos regarded their eight-month-old ceasefire as a convenient period for regrouping and retraining. A fresh offensive, it was feared, would inevitably come in the autumn when the IRA had taken stock of the political progress made by the Convention.

Observers gloomily predicted a "heads I win, tails you lose" attitude from the Provos. Either the Convention's success would trigger their wrath—for to succeed it wou'd have to produce a formula based on the Westminster guidelines for power sharing—or in the more likely event of its failure the Provos would act promptly to exploit the political vacuum and challenge Loyalist determination to exercise majority rule.

A month ago, on August 8, the approach of the Convention's new session prompted the leaders of Ulster's major political parties to begin the *current round of inter-party* talks. Well aware that all summer the *assembly's only* achievement had been its survival, an achievement due to careful husbandry by the top men on both sides, it was clearly time to talk business.

The barometer of the talks has swung wildly from stormy to fair, and back again. There have been sudden walk-outs, smiling handshakes and interminable meetings with the referee, Convention chairman Sir Robert Lowry. If the IRA was *interested* in excuses to break the ceasefire, the changeable climate of the Stormont committee room where the talks take place has been enough to provide them.

Arguably, the political process has yet to deliver a clear-cut answer on the future of devolved government. But now, in spite of Mr. Paisley's decision to endanger any emergency pact with his withdrawal ultimatum, a short-term deal may yet emerge. The Provos would then have their answer and the danger would be that they would come out into the open to fight the new political understanding before it could *harden into a home-grown* Ulster government.

Not ready

The betting *still* seems to be that the IRA is not ready for a new campaign. Scotland Yard, in appealing to the bombers to improve their warning techniques, certainly appears to believe that the bombings in London are aimed at warning Whiteha'l not to move against the Provos.

Ultimately, no doubt, the Provisionals will emerge from the shadows, but it is likely that their present reluctance to do so stems not only from *such practical considerations as* strength and lack of support from Ulster's Catholic population, but a'so from a growing taste for politics.

In the same way as men at the top of Protestant paramilitary organisations like the UDA are known to be eager to enter politics, the Provos must be loth to call off a truce that has allowed their unelected leaders to bypass the Province's professional politicians. It is often pointed out by Mr. Rees's critics on both sides of the border that *the cease-fire* has enabled the Provisional IRA to occupy the centre of the political stage, and for urban guerillas the hot-line diplomacy of the Incident Centres and the regular contacts with senior civil servants must be heady stuff.

Desperate

On the one hand, therefore, there is the renewed possibility of a political deal in which the Loyalist majority might conceivably agree to Catholics temporarily joining them in devolved Government. It would be a desperate measure for *them, and only the threat of* being made redundant by their own fighting forces makes it even a possibility. Yet it is still all too likely that this week will not see a breakthrough, merely avoid a breakdown.

On the other hand there is the Provisional IRA. Mr. Rees maintains, quite properly, that it would be difficult to justify a change in his security approach to republican organisations in Ulster because of London bombings that may or may not be the work of the Provos. But he *is coming under increasing pressure from the Dublin Government*, with its fear of becoming a secondary theatre of hostilities *in a civil war, or of being* dragged into one. Perhaps most *forceful of all, if the London* bombings continue, will be the anger of the British themselves.

Letters to the Editor

Breaking the backbone

From the Finance Director, Vanguard Fixings.

Sir,—We often read about the backbone of U.K. commerce and industry—the small businesses—and how they spring up in boom times and disappear in the slump. However, many small firms are very flexible and can adjust faster than the big conglomerates to changing circumstances.

We are not only surviving but growing—25 per cent. up on last year in real terms and turning over very nearly £0.5m. after only six years' trading. We wholesale a wide range of building fixings, screws, drills, abrasives and power tools to many types of industry over only a 50 miles radius of Southampton. This rapid growth has been financed by retained profits and by debt factoring, the only available method at the time (and expensive too).

Having decided to restructure our borrowing and seek outside capital in the form of equity (up to 30 per cent.) and loan, we prepared a 10-page report on the company, supported by a financial history and future forecasts. We presented this to our clearing bank, but soon were told that there was no more loan capital. In spite of our excellent trading record the bank has actually *reduced* our borrowing by allowing no overdraft and asking us to repay the loan back over only two years. This loan is secured on the houses of two directors and well covered.

We have approached every clearing bank, many London merchant banks, investment companies, suppliers and institutions over the last eight months and have not succeeded in obtaining any new capital nor even a sensible offer. As soon as the (dirty) word "over-trading" was whispered around, we were politely shown the door by every bank manager.

We have a well established, profitable, energetic and growing concern. We have little in the way of tangible security (no freeholds) as all the capital is in the working capital (mainly in stock). We are amazed to keep on reading about the millions of pounds being injected into lame duck industries, into badly managed loss making nationalised industries, into property development (empty offices), and other non priority schemes. It makes us sick when we, a typical small company, with cash flow problems brought about by real growth and exacerbated by a huge rate of inflation, are seemingly unable to borrow just £100,000—nor £30,000, nor £10,000—to keep us expanding and servicing a wide range of industries.

The banks often claim to be full of cash and unable to advance all they could. They purport to "oil the wheels of commerce." But our real experience is very different and makes us wonder whether there is any hope for us and many other small growing companies while it is Government policy to kill enterprise and the banks' policy to discourage it.

Stephen J. Line.
41-49, Onslow Road, Southampton.

Rights issues

From Mr. D. M. Cardale.

Sir,—I am concerned by the apparent disregard for shareholders' interests shown by Lex. To suggest (September 2) that the share price ruling at the time of a rights issue is of little importance and has no bearing on the "cost" of an issue totally ignores the vital concept of earnings per share. Of course, one must adjust for the bonus element in the issue—earnings per one share prior to the issue must be compared with earnings per one, and a bit shares after the issue, the bit being very much greater for a Ladbrokes type issue to compensate for the greater apparent dilution.

The adjustments having been made, it remains that, if issues are done with the share price at the time of the issue on a multiple of less than approximately 12, then, funding overdraft, there will be an immediate dilution in earnings per share. In the medium term such dilution is bound to have a detrimental effect on the value of an individual's shareholding. It is acceptable only if the company has pressing liquidity problems or is able to employ the new money at a commensurate (invariably, that is, very high) return.

D. M. Cardale.
38, Elvaston Place, S.W.7.

Buying British

From the Managing Director, Stewart Wrightson (Credit Management).

Sir,—Acknowledging both the Treaty of Rome and GATT, there do seem to be anomalies which, notwithstanding ministerial statements actually discourage both reflation of the U.K. economy and the opportunity for extra employment.

British manufacturers continue to find themselves in competition with overseas suppliers who, with the backing of their export credit organisations, are able to offer very preferential interest terms on sales made into the U.K. While the British manufacturer is able to compete when he is selling overseas, when he is selling in his own country he finds no preferential terms are available.

At a time when we are being exhorted to "buy British," is it not strange that we have no machinery which enables us so to do?

P. A. Dawson.
Kingston Bridge House, Church Grove, Kingston Upon Thames, Surrey.

Spanish Sahara

From Mr. John Gretton

Sir,—Your article on the Spanish Sahara (September 4) may give the impression that the Frente Polisario is the creation and puppet of Algeria.

The leaders of the Frente Polisario, however, publicly describe Algerian aid as "extremely discreet" and privately complain that they get nothing like the support from Algeria that other independence movements in Africa get, such as the MPLA in Angola.

The movement has 15 minutes a week on Radio Libya and an office in Tripoli. Neither of these basic services have been provided by Algeria.

In a recent tour of Frente Polisario bases in the north-east of the Spanish Sahara, I noted that all the weapons and vehicles had either been captured from the Spanish or were pre-war French rifles of the sort that nomads in the Sahara have always possessed. There was no evidence that any had come from Algeria.

In recent public pronouncements, particularly since June 19, the Algerian Government has been carefully diluting its support for the principle of self-determination in the Spanish Sahara with expressions of good neighbourliness towards Morocco.

Finally, one reason why the existence and popularity of the Frente Polisario in May this year may have taken observers in Spain by surprise is that, from *July 22, 1972, until March 25 this* year—that is practically the whole of the Frente's existence—the Spanish Government imposed a total black-out on news from the Sahara.

John Gretton.
Flat 1, 4, Elm Park Gardens, S.W.10.

Tax on pensions

From Mr. A. R. James

Sir,—So Mr. W. N. Hill (September 3) wants his pension to be tax free. I am not out of sympathy with elderly people—my ambition is to be one myself—but his oft-repeated demand is too absurd to be taken *seriously*.

We have all got so used to hearing the payments called "old age pensions" that those who receive them seem to regard them as a reward for having lived on. In fact, the proper title is "retirement pensions."

Mr. Hill draws his *retirement* pension, though he has *not retired*. He should think himself fortunate that he gets it at all, never mind asking for it to be tax free. He wants his income to be taxed on a different basis from mine. Fair enough, if he has good reason—but the only reason he puts forward is that he has paid tax for longer than I have.

My answer to that is that he has enjoyed a net income for longer than I have, and so should he better off than I am. Though many elderly people are hard-up, a person is not hard-up just because he is elderly.

A. R. James.
21, Knolls Close, Worcester Park, Surrey.

Capital Transfer Tax

From Mr. Michael Minter,

Sir,—How I agree with Mr. A. F. Newhouse (September 4). Yet there are two even deeper underlying criticisms of the capital transfer tax which he does not mention.

Many of those who supported the introduction of CTT did so as a means of spreading wealth more evenly throughout the community. In putting forward this argument they were deceiving the public and perhaps also deceiving themselves. Unlike the old estate duty, CTT does not provide much incentive to the owner of a business to divide his share among his younger relatives (and perhaps employees) before he reaches old age. The real effect of the tax will be to confiscate individual savings and concentrate wealth in the hands of the State. That is indeed what the Socialists would like to see happen, but the Labour Party was not honest enough to say so at the last election.

Secondly, CTT is symptomatic of society's failure to appreciate the benefits of long-term planning and development. Our forebears, living closer to the enduring natural order, were wiser in this respect. The old-time farmer built his house and outbuildings of stone or brick and planted trees and hedgerows, all with his children's children at the back of his mind. Not all that is worthwhile can be achieved in a generation.

To-day there is little appreciation of anything but the instant in which we live. At the moment of our death the State will now use the blunt instrument of CTT to cut off further growth in a family enterprise which would otherwise have the quality of endurance and renewal.

Michael Minter,
Prospective Parliamentary Liberal Candidate for Lewisham East,
38, Great Thrift, Petts Wood, Kent.

Russian v. Esperanto

From Mr. F. M. Easton.

Sir,—I can appreciate Mr. Kurt Weisskopf's liking for the Russian language (August 29), but the suggestion that other people who may not have that liking take it up as an international language is a surprising one. The fact that some of the letters are "the wrong way round" from those of other European languages would alone make Russian very tiring to learn as an international language.

That it is phonetic is a good point, but so is Esperanto, which had support in Russia many years ago but was then "expelled" and its adherents arrested. Esperanto is not now banned in any country; indeed, there is an increasing number where it is encouraged.

Because of bias, idioms, peculiarities and so on, no national language should be used as an international one. Mr. Weisskopf mentions that minutes and documents are translated into Russian. They are also translated into other "official" languages, at a high cost for interpreters and translators.

Esperanto as an international language, learnt by all, would eliminate all this colossal chaos and prevent mistakes and misunderstandings. So let Russia have its language for its nationals, and let us have Esperanto for "internationals."

Frank M. Easton,
Association of British Railway Esperantists,
21, Ninfield Road, Acocks Green, Birmingham.

Book-keepers' eyesight

From Miss C. A. Jenkins.

Sir,—In the good old days, before *decimalisation* and Value Added Tax, receipts were usually hand written, and the amount paid was shown clearly in three columns, headed "L. s. d."

These days receipts are becoming smaller and smaller, and the print so poor that they are almost illegible. Apart from the name of the firm and its VAT number, it usually consists of only a row of figures and letters, dots and asterisks, with nothing to indicate the article bought, which of the figures is the price paid, which (if any) is the VAT, or anything else.

If such receipts are handed over to a book-keeper, she has to refer to the purchaser constantly to find out, from his memory, the relevant details.

Perhaps the machines from which these useless bits of paper are issued were designed to increase the difficulties and frustrations of book-keepers, and ruin their eyesight. If so, they are a great success.

C. A. Jenkins.
6, Trafalgar Terrace, Broad Haven, Haverfordwest, Pembs.

To-day's Events

GENERAL

Inter-Parliamentary Conference continues at Royal Festival Hall.

Institute of Bankers Cambridge Seminar — paper on Banks and their branches by Mr. Sidney Wild, director and deputy chief executive, National Westminster Bank.

British Leyland Cars union and management workers participation talks.

Mrs. Barbara Castle, Secretary for Social Services, addresses British Pharmaceutical Conference, Norwich.

Greater London Council planning committee meets, County Hall, Westminster, 2.30 p.m.

United National sixth special session on "new international economic order" continues in New York.

British Institute of Management annual report.

International Air Transport Association traffic conference continues in Geneva.

OFFICIAL STATISTICS

Wholesale price index (August).

Hire purchase and other instalment credit business (July).

Retail trade (July—final).

COMPANY RESULTS

Ocean Transport and Trading (half year).

Simon Engineering (half year).

COMPANY MEETINGS

See Week's Financial Diary on Page 24.

BALLET

London Festival Ballet dance Swan Lake, New Victoria Theatre, London, 7.30 p.m.

MUSIC

BBC Symphony Orchestra, conductor Norman Del Mar, Stephen Bishop - Kovacevich (piano). Brahms—Serenade No. 2 in A major; Lutoslawski — Concerto for Orchestra; Beethoven Piano Concerto No. 5 in E flat major. Royal Albert Hall, London, 7.30 p.m.

Dumka Piano Trio. Dvorak 134th Anniversary. Wigmore Hall, 7.30 p.m.

SPORT

Boxing: World Sporting Club tournament.

Hockey: Women's World Tournament, Edinburgh.

Racing: Windsor, Nottingham and Hexham.

COMPANY NEWS

Most significant growth phase for Acrow

THE CHAIRMAN of Acrow (Engineers), Mr. W. A. de Vigier, says in his annual statement that the group is now positioned for what he considers to be its most significant growth phase.

As reported August 13, group profits, before tax, expanded by £2.2m. to a peak of £5.99m. in the year to March 31, 1975, and the directors then said the outlook for this year was for another record in export sales and earnings. The net dividend is lifted from 3.18p to 3.69p per 25p share.

Value of direct exports during the year from the U.K. was £34.3m. (£24.2m.). Total value of overseas business, including overseas subsidiaries' turnover, was £42.9m., distributed as to 37 per cent. Western Europe, 14 per cent. Eastern Europe, 10 per cent. Africa, 21 per cent. Far or Middle East and 18 per cent. North and South America.

The chairman tells members that the group (manufacturers of equipment used in the construction industry) remains strong, principally because of greater productivity, coupled with product and geographical diversification, giving it "the capability of weathering severe economic storms."

The year-end group balance sheet shows fixed assets at £15m. (£12m.) and goodwill—relating mainly to the acquisition of the Coles Cranes Group—at £15.9m. (£16m.). The directors reported last month a "spectacular" comeback in Coles Cranes results, achieved by the new management through greatly improved labour relations and better productivity.

Curret assets stood at £52.8m. (£45.5m.) including stocks and work £35.8m. (£27.1m.) and cash £762,575 (£1.1m.). Current liabilities of £35.8m. (£30.5m.) included creditors £24.3m. (£18.8m.) and overdrafts £9.4m. (£8.7m.).

At the meeting, to be held at 8, South Wharf, London, W.2, on September 29 at 9.30 a.m., it will be proposed that the name of the company be changed to Acrow Limited.

HIGHLIGHTS

Although by no means extensive this week's list contains a wide variety of well known companies; with the exception of **London Merchant Securities**, which announces full year results on Thursday, all are due to report on half-year experience. Later to-day, **Ocean Transport** will announce interim figures and to-morrow it is the turn of **R. Costain** and **Reckitt and Colman**. On Wednesday, both **Guardian Royal Exchange** and **Phoenix** make their contributions to the composite insurance reporting season while on Thursday announcements are expected from **Dickinson Robinson, Carpets International** and **Hepworth Ceramic**. The list is rounded off on Friday by **Reyrolle Parsons**.

£23.57m. (£19.33m.), and group capital reserve was £11.38m. (£6.38m.). Bank balances and short term loans amounted to £4.0m. (£5.2m.).

London and Manchester Assurance holds 12 per cent. of the 6 per cent. Cumulative First and 10 per cent. of the 6 per cent. Non-Cumulative Second Preference Stock. Meeting, 4, London Wall Buildings, E.C., September 29 at 11.30 a.m.

Statement Page 24

Tor Trust lifts total to 15.15%

NET TAXED revenue of Tor Investment Trust improved from £196,398 to £202,047 in the year to July 31, 1975.

The dividend on the Income shares is raised from 14.34 to 15.15 per cent. net with a final of 8.45 per cent., while holders of the Capital shares receive 1.515 per cent., against 1.434 per cent., plus a bonus of 0.13 per cent. (nil).

Net asset per 25p Income share is shown as 49.35p (46.43p), and that of the 25p Capital shares at 146.30p (115.27p).

City of London Brewery Trust

The directors of The City of London Brewery and Investment Trust are reasonably confident of maintaining the present rate of dividend (2p net per Deferred share) and hope to maintain the 26 year history of increasing dividends, says the chairman, Lord Blackford.

It is proposed to increase the quarterly payments to 0.50p with a final adjustment in the last quarter, Lord Blackford stresses, however, that companies are now limited to a 10 per cent. increase in dividend as opposed to 12½ per cent. and that this fact, among others, may affect revenue.

As reported on August 7 with net assets details, gross revenue increased from £1.92m. to £2.04m. in the year to June 30, 1975—franked income was £1.31m. (£1.26m.) and unfranked £205,650 (£206,237). The dividend of 2p compares with 1.9p.

Investments were valued at

Polly Peck ready for upturn

THE DIRECTORS of Polly Peck (Holdings) have taken every action to minimise expenditure and intend to continue their efforts to ensure that both divisions—fashion and property—will be in a position for expansion when the time is right.

Chairman Mr. R. Zelker finds it impossible to forecast. While interest rates eased towards the end of the financial year, he says future monetary policy must remain an unknown, though significant factor.

As reported on July 23, the group incurred a loss of £117,480 for the year ended March 19, 1975 (profit £323,943), and the dividend was 0.175p (1.0113p).

Fashion profits rose from £174,851 to £222,461. Bennett Knits, formed to make fashion knitwear and shirts, had a successful first period and has contributed towards profits. Export sales increased 42 per cent. and the Directors will continues to pursue this business.

Property incurred a loss of £339,921 because of the abnormally high cost of borrowing and the general deterioration of conditions. This has prevented the disposal of properties which are available for sale, although prior to the end of the year, a profitable disposal was achieved.

Stock of land and property has again been valued at cost; the directors are of the opinion that cost is higher than market value at March 19 by £350,000. The auditors have noted this in their report.

Meeting, Inn on the Park, W., October 2, at 11.30 a.m.

George Sturla recovery measures

Measures taken by George Sturla and Son have resulted in the company now being able to trade from a more stable financial base, and to be in a position to maximise available opportunities, says the chairman, Mr. A. Dobson.

Faced with the economic crisis the view was taken that principal effort should be directed towards matching the terms of group borrowings and lendings and reshaping its organisation so that its major consumer finance operations should be concentrated into a more viable form with a view to expansion.

Although substantial losses continued in the first half of 1975-76 mainly offset by exceptional profits, the greatly reduced borrowings and a consequent strengthening of the financial position place the group in a position to trade profitably in the second half and to explore the opportunities for acquisitions in the consumer credit field.

Two such acquisitions have been made recently which will strengthen the balance-sheet and contribute to overall profitability, says Mr. Dobson.

As reported on Saturday, subsequent to January 31 the group has disposed of its freehold premises at Watford for £725,000 and a subsidiary (Harold Stott) has disposed of certain assets anticipated to realise, in aggregate, £292,000.

From the proceeds the group has applied £675,000 in reduction of overdrafts and other secured indebtedness. It has also purchased for £696,000 certain book debts the finance for which has been obtained partly from a consortium of banks and partly by deferred payment, both sources being repayable over a three-year period.

A loss of £493,000 (pre-tax profit £439,000) was incurred in the year to January 31, 1975, and there is no Ordinary dividend (0.7185p net), as reported on August 16.

Meeting, Liverpool, September 30, noon.

Steinberg cautious on outlook

CURRENTLY, turnover and profits of Steinberg Group are being maintained, although all divisions continue to be hit by inflation and the severe economic conditions, says the chairman, Mr. Jack Steinberg.

And he stresses that remuneration limits set by the Government could hit the manufacturing and retailing divisions harder than many other industries. It is therefore difficult to predict the current year results.

As reported on August 7 group pre-tax profit decreased from £825,083 to £628,733 in the year to March 31, 1975, and the dividend is 0.857p (0.8031p) net. An analysis of turnover and profit shows clothing 72 per cent. and £659,873; handbags and footwear 28 per cent. and loss £31,140.

Losses suffered in the Norwich based operations have been stemmed and the directors are hopeful of a return to profitability from that source in the near fture.

During the year £3.25m. of the proceeds from the sale of Steinberg House was received — the final payment of £1m. is due at the end of the month.

Scottish Homes profits fall

Scottish Homes Investments, builders, contractors, developers, joiners, etc., has incurred a loss of £80,691 in the second half. This reduces the profit from £238,383 to £19,809 for the year ended March 31, 1975.

As intimated there is no final dividend, so the year's payment is cut from 1p to 0.37p; however, for the current year the directors hope is for at least restoration of 1p. Earnings were 0.7p (2.12p).

Turnover fell from £13.4m. to £12.25m. There is a tax credit of £29,520 (debit £89,720), giving a net profit of £49,329 (£148,663).

Parker Timber off by £1.27m.

SECOND HALF profit of Parker Timber Group increased from £811,036 to £887,299 making, with the sharply reduced first half profit, a total down from £3,051,036 to £1,777,299 for the year to March 31, 1975.

When reporting the first half downturn the directors said they were confident the remainder of the year would show maintained profitability.

Earnings per 25p share for the year are shown at 16.1p against 29.8p. The dividend is raised from 1.9698p to 2.1886p net.

	1974-75	1973-74
	£	£
Trading profit	2,331,090	3,453,205
Depreciation and int.	553,791	402,169
Profit before tax	1,777,299	3,051,036
Taxation	971,112	1,583,759
Net profit	806,137	1,467,277

A. Gelfer makes good start

DESPITE RISING costs, the directors of A. and J. Gelfer, manufacturers of ties, scarves and men's headwear, have confidence in the future.

The chairman, Mr. B. M. Steen, reports that the current financial year has started well with an improvement on the corresponding period of last year, and there is evidence that Christmas orders will be up to expectations.

As reported on August 21 group pre-tax profit increased from £519,056 to £604,709 in the year to March 31, 1975, and the dividend is the maximum permitted 2.6p (2.4376p) net.

Because of the difficulty of reassessing on a realistic basis during the present depressed state of the property market, a proposed revaluation has been postponed. During the past year part of a recent purchase was disposed of profitably, leaving intact the composite site.

Meeting, Glasgow, October 2, at 11a.m.

E. C. Cases downturn

Bearing out the pessimistic view of immediate prospects expressed by the chairman, Mr. W. C. Porter, in May, pre-tax profit of E.C. Cases, makers of garden sheds, fences, pallets and packing cases, fell from £262,420 to £57,513 in the half year to June 30, 1975.

While the results reflect the general economic situation, sales remain encouraging for garden products, but at reduced margins. The continuing low-level of industrial activity restricts pallet sales, Mr. Porter says.

The interim dividend is raised from 0.55275p to 0.585p per 10p share net. Last year's total was 1.18715p from profits of £386,077.

	Half-year 1975	1974
	£	£
Turnover	1,872,052	1,988,091
Reduction stock values	33,000	—
Redundancy payments	16,380	—
Pre-tax profit	57,513	262,420
Taxation	29,006	136,458

FT Share Service

The following securities have been added to the Share Information Services appearing in the Financial Times.

English Property Corp. 12 per cent. Conv. Ln. Stk. 2000-5 (Section: Property). **Heller (Walter E.) Intl. Corp.** (Section: Overseas-New York). **Lawrence (Walter)** (Section: Buildings). **Williams Companies** (Section: Overseas-New York).

British Vending setback

Pre-tax profits of British Vending Industries were halved at £90,584 for the six months to June 30, 1975 from a turnover up from £3.04m. to £3.68m. Profit for the year 1974 was £376,232.

Freddie Mansfield

Sir Lindsay Alexander, chairman of Ocean Transport and Trading, who is due to announce to-day the company's interim figures.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Tor Inv. Income	8.45(a)	—	8.04	15.15	14.34
Tor Inv. Capital	1.65(b)	—	1.43	1.65	1.43

(a) Per cent. (b) Per cent. including bonus 0.13 per cent. (nil).

Stated earnings for the half year decreased from 0.89p to 0.45p per 10p. The interim dividend is stepped up from 0.39195p to 0.418275p net—there was no final for 1974.

	Half year 1975	1974
	£	£
Turnover	3,677,000	3,042,000
Pre-tax profit	90,584	185,783
Taxation	51,826	101,608
Net profit	38,758	84,143

The Nestle Co. has a substantial interest in BVI, manufacturers of powdered vending ingredients, etc.

T. Robinson downturn at six months

On a turnover up from £1.74m. to £2.1m., first half 1975 pre-tax profit of engineers and machine makers, Thomas Robinson and Son, decreased from £193,724 to £129,076.

But providing there is no serious setback, the second half should be an improvement on the first, and the directors expect that profits for the year will justify at least maintenance of the dividend.

As before the interim dividend is 1p net per 25p share. The 1974 total was 4.2989p from a profit of £485,428.

	Half year 1975	1974
	£	£
Turnover	2,190,796	1,737,111
Interest income	26,745	57,696
Pre-tax profit	129,076	193,724
Taxation	67,791	101,875
Net profit	61,395	91,849

The company lost over £250,000 turnover in the May industrial dispute, and the turnover obtained was at an increased cost, owing to lower productivity and consequently reduced profitability, the directors explain.

Turnover includes a substantial build-up of work in progress on a large contract and this should be translated into turnover and profit in the second half.

Kennedy Smale second half slowdown

After an increase from £78,853 to £118,396 at mid-way, profit before tax of engineers Kennedy Smale advanced from £178,139 to £210,300 for the full year to March 31, 1975.

Earnings per 10p share are given at 2.8p against 2.12p and a final dividend of 0.715p makes a total of 1.385p net compared with 1.437p. The company has "close" status.

	1974-75	1973-74
	£	£
Turnover	1,391,000	1,372,000
Pre-tax profit	210,300	178,139
Taxation	99,256	94,903
Minorities	11,309	5,612
Attributable	99,735	77,625

CHAS. CLIFFORD

Charles Clifford Group's trading and financial involvement with Metal Products Company (Willenhall) is negligible and the group is not affected by Metal Products' present difficulties, the directors state. Interim results of the Clifford Group for the half-year to June 30 will be published on September 16.

Watsham's confident

Progress made by Watsham's with the expansion of existing and new activities enables the directors to look to the future with confidence, says the chairman, Mr. W. G. Haydon-Baillie.

He points out that the acquisition of 75 per cent. of the capital of Industrial Pharmaceutical Service extends Watsham's specialised service and manufacturing activities and allows further development in a new growth area.

As reported on August 2 group profit, before tax, increased from £104,044 to £204,283 in the year to March 31, 1975, and the dividend is 2.625p (1.925p) net.

An analysis of turnover and profit shows electrical and radio towers £2,304,398 and £109,219; industrial optical products £419,367 and £95,064.

Nigerian Electricity

As increased revenue in the current year has been offset by higher costs, it is unlikely that results of Nigerian Electricity Supply Corporation for the current year will equal those of the year to February 28, 1975, although every economy will continue to be made in the endeavour to do so, the directors state.

As reported on July 24, group pre-tax profit for the year to February 28, 1975, was £530,594 (£419,511) and the dividend is 7.906p (7.185p).

Referring to £552,251 in the balance shown as due to the parent from the Nigerian subsidiary, the chairman, Sir Miles Clifford, says this includes unremitted dividends amounting to £321,067 and, since the year-end, £165,333 has been received in the U.K. It is still uncertain when the balance will be remitted.

Cash and bank balances shown as to £432,894 for the company and £1,615,472 for the group means in effect that £432,894 was held in London and £1,182,578 in Nigeria. At the balance-sheet date £405,000 of London cash was earmarked for the dividend subsequently paid on April 2 last and to finance the purchase of additional diesel generating equipment.

Mr. T. Trefgarne has acquired a 15.57 per cent. holding in the company and has informed the directors that certain of his associates hold 50,300 shares; this represents a total of 20.4 per cent. of the capital. The Board is discussing this development with Mr. Trefgarne as, also, his request to be represented on the Board.

Meanwhile, Sir Miles confirms that no change is contemplated in the main function of the group, the generation and distribution of electricity in the area assigned under licence.

Spong well up

Sales of hardware manufacturers and wireworkers, Spong and Co., increased from £677,399 to £1,086,547 in the first half of 1975, and profit expanded from £2,288 to £111,959, subject to tax of £58,219, against £1,190.

The interim dividend is raised from 0.25p to 0.39p gross per 10p share. The 1974 total was 1.53507p gross from a pre-tax profit of £116,423.

RESULTS AND ACCOUNTS IN BRIEF

AILSA INVESTMENT TRUST—Results, year ended May 31, 1975, already reported with assets values. Meeting, Glasgow, September 25, at 12.30 p.m.

ASSOCIATED SPRAYERS—Trading conditions in second half of the year have shown no improvement compared with the first. Interim figures have already been announced.

ATTOCK OIL—Results, 1974, reported August 29. Group fixed assets £2.41m. (£2m.). Prospecting, drilling, etc., £1.45m. (£1.34m.). Stores held for capital and revenue £1.78m. (£1.71m.). Net current assets £0.5m. (£0.38m.). Meeting, Winchester House, E.C., September 29, noon.

DUCKWARI TEA AND RUBBER—Turnover for 1974 was £198,912 (£182,772). Net profit £29,074 (£3,637) after U.K. tax £7,673 (£709) and overseas £2,640 (nil). Earnings per share 5.52p (0.82p).

FINANCE AND INDUSTRIAL TRUST—Turnover year ended July 31, 1975 was £161,789 (£159,419). Profit £55,150 (£61,671) before tax £34,927 (£40,668). Dividend already paid £24,467 (£23,925). Earnings 1.67 (1.30).

INVESTING IN SUCCESS EQUITIES—Net pre-tax revenue £141,279 (£91,516) for half year to July 31, 1975 net assets value per share, as at August 6, 1975 122.3p (118 in at January 31, 1975) interim already announced.

LOTHIAN INVESTMENT TRUST—Final dividend 0.475p, making 0.875p (1.0925p) for year to June 30, 1975. Gross income £50,454 (172,979) including interest received £12,119 (£10,556) and dealing profits nil (£22,297). Pre-tax revenue £31,291 (£33,559). Tax takes £14,741 (£23,936) leaving £16,550 (£31,675). Earnings per 25p "A" share 1.03p (1.88p). Net asset value per "A" share at June 30 28.94p. Deducting debenture stock at par.

F. S. RATCLIFFE INDUSTRIES (makers of springs; painting contractors)—Results for year ended April 30, 1975, reported August 19. Group fixed assets £225,292 (£221,851) and net current assets £290,376 (£132,160). Forward order book is healthy and production running satisfactorily. Meeting, Rochdale, September 26, at noon.

TRAFFORD CARPETS—Results, year ended March 31, 1975, reported July 12. Group fixed assets £804,800 (£785,444) and net current assets £345,499 (£635,435). Chairman says in current year it will be difficult to earn adequate profits, but he is confident that company can weather the storm. Meeting, Manchester, September 24, at noon.

WASHINGTON INVESTMENT COMPANY—Results, year to June 30, 1975, and net asset values, reported July 25. Investments valued £3.70m. (£4.02m.). Net assets employed £4.41m. (£6.59m.). Capital losses approximately £2.3m. will be available to offset against future profit when calculating tax payable in respect of capital gains. Meeting, 11, Austin Friars, E.C., September 26, at 10 a.m.

H. WOODWARD AND SON—Results, year to September 30, 1974, reported August 16. Group fixed assets £0.52m. (£0.3m.). Net current assets £0.12m. (£0.29m.). Chairman says company is "well placed to meet the future demands which must and will come." Breakdown of turnover and profits shows: vehicle and industrial plant sales and service, automatic lubrication and body building £3.21m. (£4.91m.) and £273,705 (£250,982); contractors merchants nil (£77,189 and loss £3,199); civil engineering and plant hire £1.85m. (£1.45m.) and loss £400,391 (£117,855); steel fabrication, etc., £78,301 (£42,360) and £21,498 (£3,395). Meeting, Liverpool, September 26, at 3 p.m.

BIDS AND DEALS

SPIRELLA-VANTONA

The formal offer document for the revised bid for Vantona shares from Spirella Group, which now commands the backing of the full Vantona Board, has been depatched.

In a letter recommending the offer, the chairman, Mr. Herbert Pilkington, one of the majority of directors who were opposed to the offer in its first form, also says the bid will be accepted by the directrs and their families, together holding 19.8 per cent. of the shares. Mr. Pilkington adds that, on the offer becoming unconditional, Spirella will consider appointments of Vantona directors to the Board in the near future.

SHARE STAKES

Derby and Co. now holds 640,000 Ordinary and 5,005,803 "B" Ordinary (66.4 per cent. of equity) in Charles Wade.

Raine Engineering holds 177,026 Ordinary (17.93 per cent.) in Sheffield Brick Group.

Hillards turnover to reach £50m.

An improvement in turnover from £35.5m. to £50m. is forecast by Mr. G. N. Hunter, chairman of supermarket operators Hillards for the year to April 30, 1975.

As far as profits are concerned, it is anticipated that increased contributions will be made from the eleven stores added to the group since June 1974.

There will also be a "considerable" reduction in the charge for initial expenses of opening of the new stores and in spite of difficulties Mr. Hunter remains confident of further progress this year.

Total sales area of the company in August was 391,000 square feet—an increase of 157 per cent. since April 1974.

As reported on August 12 pre-tax profits for the year to April 26, 1975 rose from £550,356 to £640,824 and the dividend is lifted from 2.515p to 2.706p net. Accounts adjusted for inflation show: taxable profit on a CPP basis at £993,000 (£754,100); earnings per 10p share at 12.94p (7.76p)—5.96p (5.09p) historical; return on total equity interest (per cent.) 24.92 (18.88) and 23.34 (23.66); net assets per share 52p (41p) and 26p (21p).

Meeting Ossett on September 23 at 12.30 p.m.

Morris & Blakey upsurge

Reporting on advances in turnover from £2.69m. to £3.28m. and pre-tax profits doubled from £104,000 to £209,551 for the first half of 1975 the directors of Morris and Blakey Wall Papers say they are confident that profits for the full year will exceed last year's £309,370.

Earnings for the half year are given at 3.6p against 1.8p per 25p share. The interim dividend is maintained at 1.75p—last year's total was 3.85p.

Tax takes £108,967 (£53,000) leaving the half year net balance up from £51,100 to £100,584.

Trianco dispute

In a letter to shareholders of Trianco Group, the engineering concern, two of the present Board members advise holders to vote against Mr. L. D. Webb's proposals, and they point out that action taken by the present Board has made the group profitable.

These steps taken, they add, will have further "dramatic" effects upon profits.

It is also disclosed that Mr. Webb and his associates have an interest in over 24 per cent. of the voting capital.

At an extraordinary meeting convened for October 3, Mr. Webb is proposing that the present directors, other than himself, should be removed from office and replaced by Mr. G. J. N. Knight, Mr. T. Q. Battle and Mr. C. T. Delaney.

Howard Tenens sound position

The new chairman of Howard Tenens Services, Mr. P. S. Harford, says the directors would prefer the short term debt to be lower in relation to market capitalisation, but the financial position is sound and total debts in relation to assets give no cause for concern.

As reported on August 9 with the dividend announcement of 1.689p (1.5885p) net, group pre-tax profit fell from £1,387,890 to £896,057 in the year to March 31, 1975.

The chairman explains that at the end of last year a major export packing contract, which had made a substantial contribution to profits was withdrawn, substantially as a consequence of the customer's own labour problems.

In other areas of business current levels of throughput re in many cases barely adequate to cover costs.

But there are a number of reasons to be "somewhat more cheerful." A substantial part of the company's work in th[e] trade is connected wi[th] parts and replacements a[nd] is evidence of a revival n[...] the underlying demand [...] placements following the sales of new vehicles.

Assembly of Ford's "A" parcel delivery van is no[w] taken by the engineering [...]. During the year some [...] was invested in machiner[y ...] ment and stocks for thi[s] and a further £159,000 in [...] of setting up costs was [...] off. The vehicle, prima[rily de]signed for the export [...] appears to have bee[n well] received.

At Swindon the compan[y is] undertaking the remanufa[cture of] engines, also for Ford. [The pro]ject, in which the investm[ent will] amount to £650,000, is up [to sche]dule and promises to be [a satis]factory and long-term ne[w line] of business.

Mr. Harford also repo[rts that] the Didcot Distribution [...] managed under partnersh[ip with] the English Property Corp[oration,] is taking shape as a p[rofitable] operation.

Meeting, Swindon, Se[ptember] 25, at 11.15 a.m.

BOARD MEETIN[GS]

The following companies ha[ve notified] dates of Board meetings to [the Stock] Exchange. Such meetings a[re usually] held for the purpose of consid[ering divi]dends. Official indications [are not] available whether dividends [concerned] are interims or finals and [the sub-]division shown below is bas[ed mainly] on last year's timetable.

TO-DAY

Interims: Cosalt, Mercha[nt ...], Ocean Transport and Trading, [...] Chemicals, Simon Engineering.

Finals: *Anglo-American Asp[halt], [...]devon Investment Trust, G[...] Leisure and General.

FUTURE DATES

Interims:—

Bemrose Corporation

Black and Edgington

Bridon

British Mohair Spinners

Brixton Estate

Danish Bacon

Jove Investment Trust

Portals

Shaw (Francis)

Tarmac

Wilkes (James)

Finals:—

Bracken Mines

Kinross Mines

Leslie Gold Mines

London Merchant Securities

Mills and Allen International

St. Helens Gold Mines

Winkelhaak Mines

* Amended.

P & O Asia formation

THE P & O GROUP has [formed] in Hong Kong a new [...] operating unit—P & O [Asia—] which will be responsib[le] from the company's [...] interests, for consolidati[on and] expansion of group [...] throughout the Pacific Bas[in.]

These non-shipping [interests] have expanded considera[bly in] the area, with the acquisi[tion of] Bovis, which is involved in [...]ing, civil engineering, co[nstruc]tion and housing in Malays[ia and] Singapore, together with [...]ing, barging and granite [quarry]ing in Indonesia.

In Hong Kong, P & O—t[hrough] its Mackinnon Mackenzie [subsi]diary—owns "thriving" [...] housing, ships' agency and [...] businesses, says P & O.

Lord Geddes, devel[opment] manager of P & O's [...] holdings division in Lond[on, has] been appointed deputy ma[naging] director of P & O Asia, in Hong Kong. Appointm[ent of] a managing director, to be [based] in Singapore, will be ann[ounced] later.

A P & O spokesman [said:] "We are seeking new [...] for investment out there [... and] the first result of this [deci]sion is to introduce new m[anage]ment and concentrate our [Pacific] Basin non-shipping intere[sts in] one management unit."

He would not say how [much] P & O was prepared to in[vest in] new Pacific projects. [The] parent London board will [evalu]ate all development pro[jects] recommended by P & O As[ia.]

WEARWELL

The proposed scrip issu[e by] Wearwell is on a 1-for-4 and not 1-for-1 as stated on [...]day. Mr. A. Nadir is chai[rman] of the company.

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Pending dividends

For the convenience of readers the dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, except where the forthcoming Board meetings (indicated thus*) have been officially published. It should be emphasised that the dividends to be declared will not necessarily be at the amounts or rates per cent. shown in the column headed "Announcement last year." Preliminary profit figures usually accompany final dividend announcements.

	Date	Announcement last year
Amalgamated Investment	Oct. 8	Final 4.1%
Anglo Amer. OFS Group	Sept.	Dividends —
...V	Sept. 25	Int. 9.1%
Armstrong Equipment	Sept. 10	Final 15.3%
Assoc. Biscuit	Oct. 15	Int. 3.3%
Associated Fisheries	Sept. 18	Int. 9.5%
Babcock and Wilcox	Sept. 19	Int. 5.4%
Bank of Scotland	Sept. 17	Int. 5.3%
Berry Wiggins	Sept. 26	Int. 4.3%
BICC	Sept. 17	Int. 6.73%
BSR	Sept. 17	Int. 8.44%
Booker McConnell	Sept. 22	Int. 8%
Bowring (C. T.)	Oct. 10	Int. 4%
British Home Stores	Oct. 16	Int. 28.5%
British Prnts.	Sept. 20	Int. 5.97%
British Rollmakers	Oct. 2	Int. 5.2%
Bunzl Pulp	Oct. 15	Int. 12.7%
Burmah Oil	Sept. 19	Int. 8%
Cadbury Schweppes	Sept. 26	Int. 3.9%
Cape Industs	Oct. 7	Int. 12.1%
Capital and Counties	July 26	Final 9%
Carnets International	Sept. 11	Final 6.8%
Carter Ryder	Sept. 26	Int. 3¼%
Central Wagon	Sept. 4	Int. 3.6%
City of London Brewery	Oct. 3	Int. 2.7%
Clarke Chapman	Sept. 17	Int. 8.86%
Comb. English Stores	Sept. 3	Int. 12¼%
Cons. Gold Fields	Oct. 8	Final 20.3%
Cons. Plantations	Oct. 1	Final 20%
Cope Allman	Oct. 15	Final 42.1%
Costain (R.)	Sept. 9	Int. 10.4%
Croda International	Sept. 12	Int. 10%
Danish Bacon	Sept. 17	Int. 5.25%
Dickinson Robinson	Sept. 12	Int. 10.4%
Ductile Steels	Oct. 17	Final 14.4%
Dupont	Oct. 16	Int. 5.8%
[illegible]		
Guardian Royal Exchange	Sept. 19	Int. 19.7%
GKN	Sept. 18	Int. 5.8%
GRA Prop. Trust	Sept. 24	Int. 5.6%
Grattan Warehouses	Oct. 8	Int. 9.5%
Guinness Peat	Sept. 12	Final 12%
Harmony Gold	Sept. 11	Int. 70%

	Date	Announcement last year
Hawker Siddeley	Oct. 16	Int. 2.8%
Hestair	Sept. 25	Int. 5.9%
Higgs and Hill	Oct. 1	Int. 8.9%
*Howden (Alexander)	Sept. 17	Int. 14.9%
International Combustion	Sept. 17	Int. 10.4%
*Kleinwort Benson	Sept. 25	Int. 8%
*Laing (John)	Sept. 23	Int. 6%‡
Laird Group	Sept. 16	Int. 7.3%
Laporte	Sept. 25	Int. 6%
Law Land	Sept. 17	Int. 7.09%
Lead Industs.	Sept. 13	Int. 3.7%
*Lex Service	Sept. 17	Int. 4%
Marks and Spencer	Oct. 8	Int. 13.4%‡
Metal Closures	Oct. 2	Int. 8.3%
Mettoy	Oct. 18	Int. 6%
*Morgan Crucible	Oct. 2	Int. 16.4%
*Ocean Transport	Sept. 8	Int. 17.7%
Ozalid	Sept. 30	Int. 12.9%
Pearson (S.)	Oct. 4	Int. 8.2%
Pearson Longman	Sept. 5	Int. 8.3%
Phoenix Assurance	Sept. 4	Int. 22.1%
*Portals	Sept. 11	Int. 9.3%
*Prudential Assurance	Sept. 18	Int. 3%
*Ransomes Sims	Sept. 25	Int. 8.1%
Ready Mixed Concrete	Oct. 1	Int. 13.1%
*Reckitt and Colman	Sept. 9	Int. 10.6%
*Reyrolle Parsons	Sept. 12	Int. due
*Rio Tinto-Zinc	Sept. 17	Int. 12.6%
*Roan Consolidated	Sept. 24	Final due
*Rockware	Oct. 14	Int. 5.2%
*Rolls-Royce	Sept. 15	Int. 8.9%
Rowntree Mackintosh	Sept. 20	Int. 3.8%
*Royal Dutch	Sept. 11	Int. 17½%
Sandeman (Geo. G.)	Oct. 19	Int. 9%
Schroders	Sept. 19	Int. 4.5%
*Shell Transport	Sept. 11	Int. 31%
Sime Darby	Sept. 27	Final 11.4%
*Simon Engng.	Sept. 3	Int. 13.1%
Staflex Intnl.	Oct. 14	Int. 8.7%
[illegible]		
United Biscuits	Sept. 15	Int. 7.087%
*Vickers	Sept. 18	Int. 4.48%
*Wadham Stringer	Sept. 18	Int. 8%
Wms. Hudson	Aug. 29	Final 2¼%

* Board meetings intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made from reserves.

Local Authority Investments

Local Authority loan rates were generally reduced last week. Deposits with local authorities at one-month's notice were cut to 10-10¼ per cent., from 10¼-10½ per cent., the three-month was quoted at 10⅛-10¼ per cent., compared with 10½ per cent., previously, and the six-month at 10⅜-10½ per cent., against 10¾-10⅞ per cent. The one-year mortgage rate eased to 11⅛-11¼ per cent., from 11½-11⅝ per cent.

The Financial Times Government Securities Index was again slightly higher at 61.68, compared with 61.28, and recorded little fluctuation during the week.

One-year local authority bonds were placed during the week at 99⅞⅞ with a coupon of 11¼ per cent., to offer a yield ⅛ per cent. lower than the previous week's batch.

* Rate (%) Sept. 5, 1975	
2 days' notice (deposit receipt)	9¾—10⅛
7 days' notice (deposit receipt)	10—10¼
7 days' notice after one month (deposit receipt)	10—10¼
7 days' notice after three months (deposit receipt)	10⅛—10¼
7 days' notice after six months (deposit receipt)	10⅜—10½
Mortgage at one-month's mutual notice after 11 months	11⅛—11¼
Mortgage at one month's lender notice after 11 months nominal term 2-5 years	n.a.
2 years' mortgage	12¼—12¾†
3 years' mortgage	12¾—13†
4 years' mortgage	13¼—13¾†
5 years' mortgage	13¾†—
6-10 years' mortgage	n.a.
11-30 years' mortgage	n.a.

* Rates are for sums not less than £20.00 and are subject to local variations and fluctuations. † Nominal. ‡ Shorter periods may attract higher rates than longer. n.a. Not available.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or —	Div. P. or Amount	Times covered	Gross Yield	P/E Ratio
[illegible]											

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

INTERNATIONAL COMPANY NEWS

Olympia expects better second half

BY GUY HAWTIN

FRANKFURT, Sept. 7.

OLYMPIA WERKE, the Wilhelmshaven-based AEG-Telefunken subsidiary, this year hopes to push up turnover by a real rate of 5 per cent. and to produce "positive" results. But performance so far does not appear particularly encouraging.

In the first half of the year, turnover from equipment sales was down by some 7 per cent. on the same period of 1974. However, revenue from services and work involved in the construction of a typewriter works in the Soviet Union largely offset this decline and overall turnover was only 1 per cent. down on the first half of last year.

Against this, the concern, which is the largest West German manufacturer of office machinery, registered a heavy fall in orders in July and August. This followed the expiry of the Government's capital investment incentive scheme.

Dr. Ludwig Orth, the chief executive, claimed that this performance was not representative of a particular trend and contended that the order decline stemmed from the fact that the months were holiday periods. He forecast that orders should pick up sufficiently in the last third of the year to give a real turnover increase of 5 per cent. Turnover for Olympia Werke in 1975, he believed, would top the DM750m. mark—last year it reached DM721m. World turnover for the Olympia group as a whole totalled DM932m. in 1974.

The concern is pinning great hopes on a market success for its telecopying machine. The machine originates from the U.S. It is currently manufactured by Graphic Sciences of Danburg, Connecticut. Some 80,000 models have been sold in the U.S. to date but only 3,000 have so far been marketed in Europe, only 1,200 in West Germany.

Small rise in KNSM earnings

AMSTERDAM, Sept. 7.

KNSM GROUP said first half 1975 net profit was slightly higher than in the same 1974 period due to a lower tax payment, but gave no figures. Trading profit, however, was slightly lower and regular shipping business is expected to decline in the second half year, it said.

It paid a Fls.15 dividend in 1974 on net profit of Fls.18.6m. and Fl.675m. sales.

Aniem Beheer said it plans to lower the nominal value of its shares to Fls.5.0 from Fls.15.0 and repay Fls.10.0 to shareholders. This cannot be implemented before end-January 1976, however, due to a number of legal matters and procedures under the articles of association to be followed, it said.

Trading in the nominal Fls.15.0 shares of Aniem here was suspended on Friday following the statement. On Thursday the stock closed at Fls.18.
Reuter

Swiss sell stakes in Peruvian power

BY JOHN WICKS

ZURICH, Sept. 7.

A STATEMENT issued by Swiss Bank Corporation in Berne to-day on behalf of a consortium of Swiss Investors and banking circles welcomes an agreement with the Peruvian Government for the sale of stock in leading national power companies.

A new Peruvian decree ratifies an arrangement reached during the former Peruvian administration in July between Swiss shareholders of Lima Light and Power and Hidrandina on the one side and a state negotiating commission on the other. The two companies are Peru's leading producers and distributors of electricity.

All shares of the companies owned by non-residents are now transferred to the state as of August 1, 1975, the shares being exchanged for U.S.-dollar bonds issued by Electroperu on the basis of 75 per cent. of par value of the shares. The bonds carry an interest coupon of 7½ per cent. and will be redeemed in annual instalments over a 15-year period beginning after the third year, "free of all present and future Peruvian taxes." The settlement involves a sum of $20m.

The Swiss communique, which speaks of the "fair and constructive atmosphere of the eight months negotiations, states: "the basic understanding reached with the competent Peruvian authorities, concerning a global settlement of all questions still to be resolved, opens the way to the successive implementation of the corresponding legal dispositions in Peru. And it should ultimately allow the use of a sizeable new loan offered by the leading Swiss banks to Peru facilitating the early redemption of the dollar bonds of Electroperu and a payment for the cement and telephone holdings."

*

The Swiss forwarding-agent concern **Danzas**, has acquired a majority shareholding in the New York company, Alltransport.

The U.S. concern, which has 300 employees in a number of branches, is active in all sectors of the international forwarding business.

The acquisition is seen as a continuation of Danzas' policy of expansion outside Europe.

BASF expands but Bayer delays plans

LUDWIGSHAFEN, Sept. 7.

BASF SAID it will invest about DM100m. to build a plant here to produce 90,000 tonnes a year of acrylic acid from propylene. The plant will start production in the second half of 1977, raising total BASF acrylic acid output to 190,000 tonnes per year.

Polyacrylates produced from the acid are important raw materials for finishing glosses and fibres it told Reuter.

But from Paris AP-DJ reports that the Bayer group is to postpone indefinitely the construction of a factory producing synthetic fibres at Mackenheim, in the lower Rhine region in eastern France. Pierre Pflimlin, the Mayor of Strasbourg, who announced the decision, said the German company cited the current recession, which has caused it to lay off a considerable number of its workforce in Germany, was the main reason for the postponement.

The plant would have created some 400 new jobs in the area.

World Economic Indicators

RETAIL PRICE INDICES

					12-month % change	Index base
	Aug. '75	July '75	June '75	Aug. '74		
Belgium	144.74	143.65	142.28	129.91	11.4	1971=100
	July '75	June '75	May '75	July '74		
Holland	156.6	155.81	155.5	141.8	10.5	1969=100
W. Germany	151.5	151.6	150.5	142.4	6.4	1962=100
U.K.	138.5	137.1	134.5	109.7	26.3	1974=100
Japan	172.8	172.4	172.5	155.1	11.4	1970=100
U.S.	162.3	160.6	159.3	148	9.7	1967=100
France	152.8	151.7	150.6	137.5	11.1	1970=100
	June '75	May '75	April '75	June '74		
Italy	170.7	169.4	168	143.5	19	1970=100

Public Works Loan Board rates

(Effective from August 30, 1975)

Years	Quota loans Repaid By instalments	Quota loans Repaid At maturity	Non-quota loans A* Repaid By instalments	Non-quota loans A* Repaid At maturity
Up to 5	11½	12	13⅛	13⅜
Over 5, up to 10	12	12⅝	13⅝	13⅞
Over 10, up to 15	12	13¾	13¼	13¾
Over 15, up to 25	13⅜	14	13⅞	14¼
Over 25	13⅞	14¼	13⅞	14⅜

* Non-quota loans B are 1 per cent. higher in each case than non-quota loans A.

Bankverein agrees to U.S. court order

WASHINGTON, Sept. 7.

THE U.S. Securities and Exchange Commision (SEC) said Schweizerischer Bankverein agreed to a court order prohibiting it from aiding customers who attempt to conceal ownership of stock in General Refractories.

The SEC named the bank and several individuals as defendants in a suit, filed in May, charging that they tried to conceal the true ownership of General Refractories.

Bankverein accepted the order without admitting or denying the charges.

The order also prohibits the bank from disposing of, acquiring or voting General Refractories securities owned or controlled by certain European defendants as long as a court order is in effect which prevents the defendants from these acts.
Reuter

MINING NOTEBOOK

Accounting for the enigma of the tin-share market

BY LODESTAR

OUR TIN SHARE index now stands 63 per cent. above the 1975 low recorded in January. I last discussed this section of the mining market on February 10. Two issues were then selected as likely to do well. One, Ayer Hitam, has risen from 103p to 161p, the other, Tronoh, only from 55p to 64p.

Current-year prospects were reckoned to be favourable enough if the Penang price for tin remained above $M1,000 a picul. In the event, it has lagged below this level. It was only $M923 as recently as July. Now it is again endeavouring to climb above $M1,000. On Friday the price was $M1,005¾. The 1974 average was $M1,137.

There has been another adverse factor. Export quotas were imposed in April by the International Tin Council. They are still in force and may be extended further beyond the end of the current month. Moreover, the present "ceiling" for the metal price under the buffer stock arrangements of the International Tin Agreement is $M1,100.

Thin dealings

Taking these factors into account, the great question is why the share market is so firm. Part of the answer is the extreme thinness of the dealing facilities in London. This means that quite modest buying orders can move prices disproportionately, especially because Far Eastern centres are not basically sellers. Brokers who deal with Singapore find that traders out there would rather try to marry bargains among themselves than come to such a narrow market in London.

The second question is why there is any demand at all for tin shares in London. Here the answer appears to be the yield attractions based on historical dividends and the hope that producers' cash strengths plus the remittance benefits of sterling's weakness will bolster payments during the current lean period. This could well be a false conclusion, in view of the inevitable build-up of stocks that export control must enforce and the consequent need to finance them.

The fact that there are dividend restrictions for the majority of Far Eastern companies domiciled in the U.K. is hardly a factor at the moment. In any case Ayer Hitam received Treasury permission to raise its recent dividend by more than the statutory 10 per cent.

Emigration

There is, however, one pie in the sky attraction that may be stimulating the more venturesome buyers of tins. This is the possibility that some of the U.K.-based companies, especially those *in the London Tin group, may in* due course manage to emigrate to Malaysia.

What should be borne in mind here is that this need not automatically add all the expected market profitability that the clapping of the currency investment premium on the share prices would seem to entail.

The emigration could take the form of a transfer of the mining activities to a Malysian company without the London parent actually leaving these shores. In this case the shares would still soldier on here without the addition of the premium.

So to the readers who have written to me about tin shares and who have been attracted by the gently firming prices the message is still caution.

The signals to look for are whether or not the ITC keeps export controls on from the end of September and whether the Penang price really begins to lift off the $M1,000 plateau and challenges the buffer stock manager's $M1,100 "must sell" level.

London Tin

In the meantime, the narrowness of the market in tins certainly does not apply to the big holding company London Tin itself, the shares of which are easily traded and which are presently in the throes of one of the most inexplicable take-over situations of all time.

	Aug. Tonnes	July Tonnes	June Tonnes
Amal. of Nigeria	—	*205	*192
Aokam	247	248	198
Berjuntai	333	325	285
Kampong Lanut	34	28	26
Kamunting	69	65	70
Kramat	36	36	32
Kuala Kampar	32	48	41
Lower Perak	26	31	26
Malayan	205	251	221
Sthn. Kinta Cons.	128	150	130
Sthn. Malayan	206	212	147
Tongkah Harbour	64	58	35

* Fours weeks. § Five weeks.

That Charter Consolidated is involved can be taken for granted. RTZ is regarded as a dark horse. But it should not be assumed that the originally proposed Pernas bid price of 197p will be the going rate. On Friday London Tin were 155p.

As always, even in times of export controls, one of the prime factors to watch in tin shares is the course of production by the individual mines. The latest returns by the London Tin group producers are compared in the attached table. Our monthly cumulative table last appeared on August 30.

Gold shares now

Hardly were my words about the gold price in print last Monday than the expected new floor of $150 an ounce was not only reached but temporarily passed through. So, following the new situation posed by the International Monetary Fund's decisions about the metal's future, the need for caution in the share market advocated in this column during recent months is now underlined.

Even the well-known, and in some cases belligerent, bulls of the share and bullion markets are taking the view that a period of unexciting quiescence is now the best that can be hoped for although once again few advisers are going so far as to say that investors should be completely *out of these markets.*

So, as stressed by the Johannesburg brokers quoted here last week in making their buying selections, selectivity based on low mining costs and tonnage expansion possibilities is more vital than ever.

This view is underlined by London brokers James Capel, who think that the bullion price is now likely to be more stable—the last thing that short-term investors in gold shares want.

Capital gains will be made by those who "buy top quality, low-cost, long-life mines on high yields on weak days. Uranium producers with the ability to raise grades to offset rising costs should command a premium." The game, they add, has "well and truly changed." It certainly has.

Annual review

The annual review published by the Mining Journal is welcome, in spite of a delay caused by printing difficulties. Its 548 pages cover the whole spectrum of mining activities, reviewing no less than 57 different metals and minerals in 127 countries. This weighty tome should be at the elbow of anyone interested in the world mining situation in whatever capacity. It is obtainable from the Mining Journal at 15, Wilson Street, London, E.C.2.

INSURANCE

U.K. medical indemnity rises 37% but no U.S.-scale crisis yet

DAMAGES awarded against doctors in Britain are rising heavily, though they are still far from reaching the crisis situation over malpractice claims in the United States, where there is a serious indemnity insurance problem.

This is indicated in the current report of the Medical Protection Society, which caters for more than 60,000 doctors in the U.K.

It points out that costs and damages paid out last year on behalf of members rose by 37 per cent. over 1973, and warned that reinsurance continued to *present difficulties and it seemed* unlikely that the society would be able to effect this at an economic figure in the foreseeable future. If that happened it would have to become totally self-supporting.

"The medical malpractice crisis is front page news in the U.S. day after day, where in several parts insurance carriers are ceasing to operate, and state legislatures are hastily considering bills aimed at limiting liability.

"It does not do to be too complacent that this cannot happen here."

Damages paid out last year by the Medical Protection Society, which is one of the two organisations catering for the professional risk needs of doctors and dentists in the U.K. rose to £431,109.

This compares with £313,179 in 1973, and only £125,977 in 1972. Awards recently made in the Hight Court against doctors included one for £85,000 in a case where an 18-year-old youth suffered serious brain damage and the final reckoning with costs will exceed £100,000.

Rising costs and damages have led the society to raise subscription fees from £25 to £40 next June, but this is small compared with commercial professional indemnity insurance for some other professions such as solicitors, who are planning a scheme that will cost between £300 and £400 a year in premiums.

Exxon seeking tonnage

THE OIL tanker charter market, until the end of last week, was sluggish up to the point when Exxon—seeking about 1.7m. tons of supertanker tonnage from the Persian Gulf in September before the anticipated rise in Arabian crude prices in October—came onto the scene.

By Friday night one 230,000-tonner from Persian Gulf to west had been fixed, prompt loading, by Exxon at Worldscale 30—a rather lower rate than previous levels for this size.

But the market is hoping that, because of the relative scarcity of supertankers now in the Persian Gulf in September—many are laid-up in Europe and Scandinavia—Exxon may have to pay more for the remaining five ships being sought.

John I. Jacobs, in its weekly report, gives the following monthly weighted freight averages for spot fixtures in the principal trades. August rates are given with those for July in brackets.

DIRTY	
Persian Gulf-U.K. Cont.	W29.4 (30.4)
Persian Gulf-Far East	W45.4 (61.9)
Med.-U.K. Cont.	W70.1 (86.6)
Caribs.-USAC	W69.2 (80.9)
CLEAN	
Med.-U.K. Cont.	W115.4 (98.4)
Caribs.-USAC	W101.2 (92.7)

London tea sales

At the tea sales held in London last week 56,138 packages sold realised an average price of 66.67p per kilo compared with 65.21p at the previous sale and against 55.93p a year ago. Plain tea was quoted at 50p.

	No. of Kilos	Average per kilo
African Highland Prod.	52,426	67p
Anglo Ceylon & Gen.	35,112	66p
Attaree Khat.	20,466	72p
Blantyre	54,222	54p
Bogawantalawa	5,103	77p
Borelli	21,108	67p
British Africa	16,497	62½p
Central African	76,061	59p
Acons. Estates	23,131	63½p
Dekhari	28,623	80p
Duckwari	14,193	61p
Doom Dooma	26,627	81p
Eastern Assam	11,647	74½p
Eastern Produce	2,618	74p
Hanipha	12,322	62p
Kenya	131,458	70p
Lanka	8,112	67p
Luieri	18,044	64p
Majuli	4,635	74p
Malayalam	7,153	56p
Moran	25,780	65p
Namingomba	10,021	57p
Pabbojan	65,167	78p
Ruo Estates	2,753	59½p
Scot. Tea & Lands	48,115	64½p
Standard	23,067	73p
Tanganyika	29,341	68½p
Telbedde	8,868	65½p
Tukuyu	1,466	65½p
United Planters	17,939	66p

Stocks at August 29 amounted to 39,708 metric tons compared with 61,756 metric tons a year ago. Converted at 48.988 kilos per package.

INSURANCE BASE RATES

† Atlantic Assurance	11½%
Cannon Assurance	9%

† Address shown under Insurance and Property Bond table.

Money & Exchanges

Bank of England Minimum Lending Rate 11 per cent. (since July 25, 1975)

Short-term fixed period interest rates were generally easier last week, with the two-month sterling certificate yield easing to 10⅝-10⅜ per cent., from 10⅞-10¾ per cent. at the end of the previous week. The three-month also fell slightly to 10⅞-10⅝ per cent., from 10¾-10⅞ per cent., but the largest reduction was again in the one-year rate which declined to 10⅞-10¾ per cent., from 11⅛-10⅞ per cent.

The supply of day-to-day credit was very short in the early part of the week and the authorities gave exceptional assistance on Monday, partly by large overnight lending, and large help on Tuesday, including small overnight loans. This was followed by a surplus of funds on Wednesday and Thursday, which involved sales of Treasury bills by the Bank of England to absorb funds. No official intervention was made on Friday.

At the weekly Treasury bill tender the average rate of discount fell by 0.1130 per cent. to 10.2675 per cent.

Gold fell sharply during the week on fears that the International Monetary Fund agreement to sell part of its gold holdings, will result in a build up of large world gold stocks. On Monday the metal fell $4 to $155-$156, and on Tuesday another $6¾ was lost to close at $148-149½, the lowest level since September 1974. [illegible]

[illegible] consistency. It finished at 27.5 per cent., unchanged from the previous week, and had remained at that level almost throughout. The dollar's trade-weighted average depreciation (as calculated by Morgan Guaranty of New York) widened a little to 2.58 per cent. from the previous 2.51 per cent. Trading in foreign exchange markets was generally very quiet. The French authorities followed many other countries in cutting its bank rate on Thursday, to 8 per cent., a reduction of 1½ per cent.

EXCHANGE CROSS-RATES

Sept. 5	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't	—	2.58000-15	58.47-54	6.69-70	5.445-465	97.66-74	96.16-29
N. York	38.70-73	—	22.63-65	2.525-530	2.109-110	37.81-83	37.25-28
Paris	170.7-171.1	4.404-414	—	11.438-461	9.295-320	166.9-167.3	164.1¼-5¼
Brussels	14.91-97	38.50-55	8.72-76	—	81.23-40	14.56-62	14.34-40
London	5.44-46	2.109-110	9.29¾-30½	81.30-60	—	5.57-58	5.55½-56½
Am'erdam	102.35-40	2.6397-42½	59.895-945	6.85½-86½	5.575-85	—	98.55-60
Zurich	103.85-104	2.6815-35	60.73-81	6.955-965	5.656-682	101.51-65	—

U.S. $ in Montreal. U.S. $1= 102.76-78 Canadian cents.
Canadian $ in New York. $C1=97.28-30 U.S. cents. U.S. $ in Milan 670.40.
Sterling in Milan 1,416.70.

EURO-CURRENCY INTEREST RATES*

Sept. 5 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W.German mark	Swiss franc
†Short term	9⅝-10⅛	6-6½	6-7	1⅝-1⅞	3¾-4	1⅛-1⅝
7 days notice	9¾-10¾	6¼-6¾	7-8	1⅝-1⅞	3⅝-3⅞	1⅛-1⅝
Month	10⅝-10¾	6½-7	[illegible]	2⅝-2⅞	[illegible]	2¼-2½
Three month	10½-10⅞	7-7½	[illegible]	3¼-3½	[illegible]	2⅜-2⅝
Six months	11¼-11⅝	8-8½	9⅛-9⅝	4⅜-5	[illegible]	[illegible]
One year	11¾-12⅛	8⅜-8⅞	9⅛-9⅝	6-6¼	[illegible]	4¾-5

Euro-French deposit rate short-term 6¾-7¼ per cent.; seven days' notice 6¾-7¼ per cent.; one-month 6¾-6¾ per cent.; three months 6¾-7 per cent.; six months 7¼-8 per cent.; one year 8¾-9¼ per cent.

Longer-term Eurodollar deposits: two years 8¾-9 per cent.; three years 9¼-9½ per cent.; four years 9¼-9¾ per cent.; five years 9¾-10 per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 6[illegible] per cent.; three months 7¼-7⅜ per cent.; six months 8¼-8 per cent.; one year 8[illegible] per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars, and two days' notice for guilders and Swiss francs.

Sept. 5 1975	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance house deposits	Company deposits	Discount market deposits	Treasury bills ◆	Bank bills ◆	Fine trade bills ◆
[illegible]										

GOLD MARKET

	Sept. 5 1975	Sept. 4 1975
Gold Bullion (a fine ounce) Close	$152¾-153¾	$152½-153½
Opening	$151¾-152¾	$151-152½
[illegible]		

FOREIGN EXCHANGES

Sept. 5 1975	Bank Rates %	Day's Spread	Close
New York	6	2.1060-2.1120	2.1080-2.1100
[illegible]			

OTHER MARKETS

[illegible]

FORWARD RATES

[illegible]

WEEKLY AVERAGES OF U.K. INDICES

[illegible]

INTERNATIONAL COMPANY NEWS + EURO MARKETS

EUROBONDS

Heavy new issue volume

BY MARY CAMPBELL

DESPITE THE fact that secondary market prices drifted lower, the already heavy new issue volume was boosted by several further announcements towards the end of last week.

Close on the heels of the European Investment Bank's $100m. issue which was priced on Friday at 99½, came the announcement of a $75m. five year issue for Ontario Hydro under guarantee of the Province of Ontario. The lead manager, Deutsche Bank, justifies the 9 per cent. coupon on the grounds that the only outstanding dollar Eurobond issue for this triple-A rated institution is currently yielding considerably less.

Expected next week is a $15m. seven year issue for the Quebec Urban Community. Indicated coupon is expected to be 9¼ per cent. and lead manager Kredietbank.

Two more

Following the increase in the amount of International Harvester's Canadian dollar issue from $Can.20m. to $Can.30m., two further issues in this currency have been announced. One is $Can.25m. for Ford Credit Corporation, one of the Ford Motor group of companies, and the other $Can.25m. for Roymarine Leasing under guarantee of Royal Bank of Canada.

The Ford credit, for which Goldman Sachs is the lead manager, offers an indicated coupon of 9¾ per cent. and the Roymarine issue, lead manager Orion, 9½ per cent. Both are for five years.

With two $100m. issues coming out during the normally quiet summer period, together with a mass of smaller issues for a wide variety of borrowers, it might seem that the dollar sector of the Eurobond market is set fair for a very active winter. However, it is possible that the indications from the primary market could turn out to be inconclusive.

Eastern Asia Navigation on course

Financial Times Reporter

EASTERN ASIA Navigation, a member of the World-Wide Shipping group of companies, reports for the year ended March 31, 1975, total assets of $HK2.36bn., a rise of 19.03 per cent.; total profits of $HK134m., up 3.39 per cent.; net operating profit $HK111.8m., up 50 per cent.; dividends per share of 36 cents, a rise of 12.50 per cent.

The Chairman, Mr. Y. K. Pao, made the following comments: It is not expected that the tanker market will return to a degree of normality before the end of 1977 and some forecasters are even predicting a surplus until 1980 or beyond. It is dangerous in the present environment of uncertainty to be too absolute in one's predictions, but one must reasonably expect that the market will improve again in the medium to longer term. Widespread cancellations and/or conversions are taking place at present and a substantial proportion of the existing tanker order book will not actually result in ship deliveries. By 1977, the aggregate of cancelled tonnage will be firmly known, as will the degree of recovery in the major economies from the present slump. In the meantime, the lay-up of vessels and their more economic operation at slower speeds also reduces availability but of course this can only provide a temporary remedy.

The Company's policy of fixing vessels concurrently with the newbuilding contracts for period charters with substantial charterers whose business is broadly based was expressly designed to cover times such as these. The whole fleet is chartered and receiving its full contracted income. Among the large vessels, only two V.L.C.C.s have charters which expire before 1981.

The present supply and demand situation for tankers has made it imperative for the group to adopt a flexible attitude. At the specific request of charterers, regarding possible cancellations of new building contracts already placed, discussions are in progress with shipyards for the cancellation or rearrangement of two very large crude carriers with forward deliveries.

The dry-cargo market has also suffered from the relative weakening economic activity throughout the world in the past year, but the effects have been much less serious than on the tanker side.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume 000's
Sept. 5	67.70	156.32	835.97	77.74	11,600
4	67.64	166.54	838.31	78.13	12,810
3	67.56	167.00	832.29	72.44	13,260
2	67.66	166.34	823.69	78.25	11,460
Aug. 29	67.76	157.24	835.34	73.24	18,480
28	67.68	155.60	829.47	78.70	14,630
27	67.61	152.82	807.02	77.29	11,110
26	67.61	155.19	805.11	76.91	11,550
25	67.65	156.24	812.34	77.25	11,250
22	67.68	154.68	804.76	76.45	15,050
21	67.73	153.59	791.69	76.18	16,610
20	67.60	154.58	785.28	76.40	15,650
19	67.75	166.47	808.61	77.46	14,990
18	68.07	158.60	822.55	78.09	10,810
15	68.18	158.23	825.64	77.68	10,610
14	68.27	156.67	817.04	77.28	12,460
13	68.26	156.37	820.66	77.84	12,000
1975 High	69.92 (4/4)	174.12 (6/5)	881.81 (15/7)	87.07 (24/6)	—
Low	66.16 (3/1)	148.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (2/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Sept. 2	Aug. 22	Sept 6 1974
4.56	4.77	5.60

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	Sept. 5	Sept. 4	Sept. 3	Sept. 2	Aug 29
51.24 (15/7)	37.06 (2/1)	45.56	45.86	45.79	45.55	46.29

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,765	482	820	463

	Sept. 5	Sept. 4	Sept. 3	Sept. 2	Aug 29
New Highs	11	15	18	13	16
" Lows	18	10	15	10	6

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

	1975 High	1975 Low	Sept. 5	Sept. 4	Sept. 3	Sept. 2	Aug 29
	96.80 (15/7)	62.20 (2/1)	85.45	85.84	85.61	85.98	86.64
Volume (000's)			1,500	1,550	1,118	1,517	1,550

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Sept. 5	96.07	85.62
4	96.73	86.20
3	96.02	85.38
2	98.12	87.42
Aug. 29	96.51	87.73
28	97.02	86.40
1975 High	107.48 (15.7)	96.61 (15.7)
1975 Low	77.71 (8.1)	70.74 (8.1)

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Sept. 4 1975	Aug. 27 1975	Sept. 4 1974
Ind. Ord. yield pc	3.94	4.01	4.99
Ind. Ord. p/e ratio	12.28	10.37	12.58
Long-term Govt. Bds. per cent.	5.62	5.63	6.82

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Virginia Elec. Power	338,300	12⅞	—
Magic Chef	213,000	5¼	−⅛
Nor. Ind. Ps.	178,900	15⅛	—
U.S. Steel	142,900	68¼	−¼
Citicorp	129,600	30½	−⅜
Xerox	114,700	54⅛	−1
Houghton Miff.	105,400	14⅝	−⅞
Tex. Util.	104,500	17⅝	—
Texaco	101,200	23⅝	−¼
Florida Power	87,300	21½	+¼
General Motors	79,700	49⅝	−⅝
Polaroid	78,800	34⅛	−¼
Bates Manufacturing	78,200	28½	+1½
Copperweld Corp.	74,200	46	−½
Gulf Oil	69,200	20¼	−⅛

TORONTO

INDUSTRIAL INDEX

Sept. 5	Sept. 4	1975 High	1975 Low
185.75	186.05	196.50 (15/7)	150.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

Sept. 5	Sept. 4	1975 High	1975 Low
191.59	192.29	205.61 (15/7)	150.95 (2/1)

COMBINED INDEX

Sept. 5	Sept. 4	1975 High	1975 Low
186.99	187.57	198.90 (15/7)	158.08 (2/1)

JOHANNESBURG

	Sept. 5	Sept. 4	1975 High	1975 Low
Industrials	210.1	210.8	236.9 (16/7)	183.2 (23/1)
Golds	245.9	250.4	379.1 (2/1)	238.3 (2/9)

(1958=100.) Source: Rand Daily Mail.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Sept. 4	Aug. 28	Aug. 21
On Dividends	7.62	7.60	7.47
On Earnings	13.07	13.43	13.70

SYDNEY ALL ORD. INDEX

Sept. 5	Sept. 4	High 1975	Low 1975
361.31	360.09	385.55 (4/6)	289.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Sept. 6	Sept. 5	High 1975	Low 1975
297.78	295.63	333.11 (2/7)	268.24 (10/1)

HONG-KONG INDEX Φ

Sept. 5	Sept. 4	High 1975	Low 1975
314.19	310.02	341.57 (9/6)	160.48 (9/1)

SINGAPORE INDEX §

Sept. 5	Sept. 4	High 1975	Low 1975
221.17	221.00	268.69 (11/5)	153.26 (8/1)

EUROPE

	Sept. 5	Previous	1975 High	1975 Low
Belg'm (a)	105.05	106.24	111.81 (15/5)	89.07 (2/1)
Denm'k (b)	93.04	93.03	93.04 (5/9)	73.06 (13/1)
France (d)	67.8	67.8	72.8 (25/4)	61.70 (2/1)
Germ'y (e)	680.2	685.5	726.1 (15/4)	573.5 (2/1)
Holland (f)	92.2	92.9	107.8 (6/6)	83.2 (2/1)
Italy (g)	82.24	82.40	108.86 (21/3)	80.04 (21/8)
Spain (h)	95.96	96.42	110.96 (22/4)	96.50 (4/1)
Sweden (k)	384.60	385.16	391.44 (1.5)	310.56 (9/1)
Switz'rl'd (m)	246.1	244.5	289.1 (16/5)	206.5 (2/1)

Indices and base dates (all base values 100):— (a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. Φ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

AUSTRALIAN WEEKLY LIST

Australian $	Sept. 5	Aug. 29	Australian $	Sept. 5	Aug. 29
Advertiser Newspaper	†1.12	†1.16	Kiwi Int	†0.38	†0.36
Ansett Transport	†0.63	0.60	M.L.C.	‡2.00	‡2.00
Aust. Securities	†0.59	0.58	Mauri Bros.	‡0.89	0.85
Aust. Guarantee	†1.32	†1.30	Mayne Nickless	†1.32	‡1.35
Aust Paper M'nf'g	†1.05	†1.02	Nylex Corporation	†0.41	0.55
Boral	†1.75	‡1.76	Olympic Cons.	†0.54	0.51
Bramble Inds.	†1.42	1.40	Overseas Corporation	†1.15	1.13
Burns Philip	†1.78	1.70	Petersville	†0.23	0.23
Carpenter (W.R.)	†0.98	0.95	Queensland Cement	†1.21	1.26
Castlemaine Perkins	†4.00	3.98	QBE	†0.62	0.65
Coal & Allied	†2.20	2.31	Rocla Industries	†0.65	0.62
Commercial Bank	†2.45	†2.40	Swan Brewery	†1.35	1.32
Commercial Union	‡0.32	‡0.33	TV Corporation	†2.25	2.25
Commonw'lth Mining	—	†2.00	Thiess	†2.12	2.15
Grace Bros.	†1.45	1.45	Thomas Nat. Trans	†0.98	0.98
Hardie Asbestos	†3.65	†3.50	Tooheys	†1.44	1.41
Herald & Weekly	†1.76	1.76	Travelodge	‡0.25	†0.32
Humes	†0.72	0.65	Woodside Burmah	†0.87	0.82

† Buyer. ‡ Seller.

TEL AVIV STOCK EXCHANGE

Company	Prices Sept. 4 1975	Change on the week	Company	Prices Sept. 4 1975	Change on the week
Banking, Insurance and Finance			**Investment Companies**		
			Bank Leumi Invest	169.5	+4.6
			Discount Bank Invest Br.	218	−3.0
Bank Leumi Le Israel	205	—	'CLAL' Israel Invest	195	+1.0
I.D.B. Bankholding	215	—	'CLAL' Industries	136.5	−2.5
Bank Hapoalim Br.	227	+3.0	**Commercial and Industrial**		
Union Bank of Israel Br.	246.5	+0.5			
United Mizrachi Bank	156	+3.0	Alliance Tire & Rubber	525	−6.0
Hassneh Insurance Br.	259	—	Elco Br.	198	+15.0
Wolfson Clore Mayer Br.	104.5	+2.0	Argaman Textile Br.	300	−8.0
General Mtge. Bank Br.	204	+3.5	'Ata' Textile 'B'	115	−3.0
'Tefahot' Israel Mort Bank Br.	209	−2.5	Dubek Br.	465	−10.0
			Elec. Wire & Cable Br.	159	−0.5
			Solel Boneh 10% Pref. Br.	162	−5.5
			American Israeli Paper Mills	315	+7.0
			Assis	264	+11.0
Land Development			Tall Manuf. of Plywood Br.	125	−1.9
Africa Israel Invest. I£10	272.5	−17.5	Elite	291	+1.0
Israel Land Devel Br.	120.5	−5.5	Polygon	132	+2.5
Property and Building	200.5	−3.5			
Mehadrin	221.5	+1.5	**Fuel and Oil**		
			Delek	164	−3.0
Public Utility			Otzar Hityashvuth Reg.	—	—
Israel Electric Corp	214	−5.5	" " Bearer	—	—

Source: Bank Leumi Le Israel, Tel Aviv.

HONG KONG

Hong Kong $	Sept. 5	Aug. 29
Government Loan	0.85n	0.85
Amalgamated Rubber	‡1.62	1.65
Bewators	14.20n	13.30
Cathay Securities	1.60	1.60
China Light & Power	14.50	14.10
City Hotels	22.40	21.70
Cosmopolitan Properties	1.03	1.04
Cross Harbour Tunnel	6.60	6.48
E. Asia Navigation	3.90	3.90
Hong Kong Aircraft	32.50	30.00
HongKng&WhampoaDocks	5.95	5.80
Hong Kong Electric	3.40	—
HongKongKowloonWharf	11.20	—
Hong Kong Land Invest	—	6.55
Hong Kong Shanghai Bank	15.90	15.00
Hong Kong Shanghai Hotels	7.05	—
Hong Kong Telephone	17.10	—
Hutchison International	1.83	1.58
Do. Do. Preference	85.00	85.00
Indonesia Consolidated	0.78	0.76
Inter. Pacific Securities	6.80	—
Jardine Matheson	23.50	21.60
Jardine Secs	7.40	—
Lombard Insurance	80.00n	80.00
Rubber	1.54	1.58
Sime Darby	4.60	4.60
Southn. Pac. Prop.	0.60	0.55
Southsea Textile	13.70n	13.70
Swire Industries A	12.40	11.70
" " B	2.20n	2.15
Swire Pacific A	6.35	5.90
Textile Alliance	—	7.80
Textile Corp of Hong Kong	5.50n	5.30
Wheelock Marden	—	3.53
Wheelock Maritime	‡2.80	2.70n
Winsor Industrial	1.14n	†1.10
Wynncor	6.90	6.90

† Buyer. ‡ Seller. n nominal.

SINGAPORE STOCKS

Sept. 6	$	Sept. 5	$
Industrials		Straits Trad'g	4.56
Bovis	0.56	Temengong	†1.64
Boustead	3.52	U. Engineers	1.43
Dunlop	†2.95	U. Overs. Bk.	3.38
Esso	‡2.55	Wearne	1.57
Fraser Neave	4.14	Tractor	†2.38
Haw Par	Susp.	Chemical	†4.64
Hume Ind.	1.47	Will'm Jacks.	†1.60
Inchcape	1.65	**Rubbers**	
Jardine	2.58	Batu Lintang	†1.02
Malay Brws.	†5.30	Dunl'p Estate	1.68
Malay Cemt.	†2.28	Kempas	2.25
Mal. Tobacco	4.18		
Metal Box	†5.00	**Tins**	
Ov's Chin. Bk.	6.45	Austral. Am.	—
Pan Electric	1.59	Berjuntai	†11.10
Robinsons	†1.52	Kampar	‡3.24
Rothman	†2.25	Kramat	—
Shell	†2.02	Kuchai	—
Sime Darby	2.39	Lower Perak	—
Cold Storage	2.76	Petaling Tin	†5.22
Straits S.S.	2.93	Sungei Way	†1.00
Straits Times	Susp.	Tongkah Har.	‡2.40

† Buyer. ‡ Seller.

JOHANNESBURG

Sept. 5	Rand	+ or −
MINES		
Anglo American Cpn.	4.23	+0.08
Buffelsfontein	19.25	−0.75
Charter Consd.	†2.50	−0.20
Consd. Gold	3.50	+0.10
East Driefontein	9.90	−0.10
Elsburg	3.10	−0.05
Harmony	8.00	−0.30
Kinross	6.60	−0.35
Kloof	9.35	−0.40
Leslie	1.12	−0.03
Potgietersrust Plat.	2.47	+0.07
St. Helena	27.50	−0.50
South Vaal	9.50	−0.70
Gold Fields SA	29.20	+0.70
De Beers Defd.	3.20	−0.03
East Rand Proprietary	9.00	−0.75
Free State Geduld	†37.00	−0.75
Hartebeestfontein	‡25.50	+0.50
President Brand	23.25	−0.75
President Steyn	†15.50	
West Driefontein	†40.00	
Western Holdings	‡34.50	−0.25
Western Deep	18.75	−0.25
INDUSTRIALS		
Anglo-Alpha Cement	1.03	
Anglo-Amer. Industrial	8.10	
Anglo-Transvaal Industries	†1.55	
Barlow Rand	3.08	+0.01
CNA Investments	†1.95	
Currie Finance	†0.55	
De Beers Industrial	†6.85	
EverReady SA	‡1.05	
Greatermans Stores	†4.50	−0.05
Melodys Holdings	†0.79	
Nedsual	2.00	+0.05
OK Bazaars	†8.90	
Ovenstone Investments	0.85	
Protea Holdings	†1.25	
Reynold's Bros.	‡5.50	
SAPPI	†1.68	
Sorec	†0.95	
Unisec	1.09	

CANADIAN WEEKLY LIST

Stock	Sept. 5	Aug. 29
Alberta Gas Tk Line A	12⅝	12⅝
Argus Corp Ltd.	†29	29
Brit. Comm. Tele	10⅜	10⅜
Bethlehem Copper	†10¾	11⅛
Can. Packer Ltd	20½	20
Can. Perm. Mort	16½	17½
Can. Investment Fund	4.75	4.81
Can. Pac. Inv. Cv. Pf A	32¾	†33
Canron	20	19⅝
Canwest Exploration	3.20	3.25
Cornat Ind.	4.70	†4.70
Cr. Zell'rb'ch Can.	16¼	†16
Dom. Foundries	†25	26½
Dom. Stores Ltd.	17⅞	†17¾
Dom. Textiles Co.	8¾	8¾
Fraser Co. Ltd.	†19	19½
Frobex Ltd.	†0.12	0.13
Great Lakes Paper	24½	25
Husky Oil Canada	18¾	19
Kilembe Copper	†0.05	0.06
Labatt John	18½	18¾
Labrador Mining	†28¾	†28¾
Nat. Drug & Chemical	5.50	5.37
N. Canadian Oils	4.60	4.80
Oakwood Pet.	0.81	0.84
Pan Ocean Oil	9½	10⅛
Petrofina	†20¾	†21
Redpath	†24	†24
Steinberg 'A'	18½	†18⅛
Teck Corp Ltd.	3.10	3.40
Traders Grp. "A"	12⅝	14
Western Decalta Pet.	5¼	6

† Bid. ‡ Asked.

AUSTRALIA

Sept. 5	Aus. $
Acrow Australia	[illegible]
Adelaide Brig'ton Cem't 50c	[illegible]
Allied Mnfg. Tnlg. Indus $1	[illegible]
Ampol Exploration	[illegible]
Ampol Petroleum	[illegible]
Assoc. Minerals	[illegible]
Assoc. Pulp Paper $1	[illegible]
Aust. Con Industries	[illegible]
Aust. Foundation Invest.	[illegible]
A.N.I.	[illegible]
Aust. Oil & Gas	[illegible]
Blue Metal Ind.	[illegible]
Bougainville Copper	[illegible]
Broken Hill Proprietary	[illegible]
BH. South	[illegible]
Carlton United Brewery	[illegible]
G. J. Coles	[illegible]
CSR ($1)	[illegible]
Cons. Gold Fields Aust.	[illegible]
Container ($1)	[illegible]
Conzinc Riotinto	[illegible]
Costain Australia (25c)	[illegible]
Dunlop Rubber ($1)	[illegible]
ESCOR	[illegible]
Elder Smith Gold M ($1)	[illegible]
E.Z. Industries	[illegible]
P. & T. (25c)	[illegible]
Gen. Property Trust	[illegible]
Gollin	[illegible]
Hamersley	[illegible]
Hooker	[illegible]
I.C.I. Australia	[illegible]
I.A.C. Holdings	[illegible]
Inter-Copper	[illegible]
Jennings Industries	[illegible]
Jones (David)	[illegible]
Metals Exploration	[illegible]
MIM Holdings	[illegible]
Myer Emporium	[illegible]
News	[illegible]
Nicholas International	[illegible]
North Broken Hill	[illegible]
Oakbridge	[illegible]
Oil Search	[illegible]
Pioneer Concrete	[illegible]
Reckitt & Colman	[illegible]
H.C. Sleigh	[illegible]
Southland Mining	[illegible]
Stocks & Holdings	[illegible]
Tooth ($1)	[illegible]
Waltons	[illegible]
Western Mining (50 cents)	[illegible]
Woolworth	[illegible]

Kobe Steel sees no prof[it]

TOKYO, S[ept.]

KOBE STEEL said it [expects] "near zero" after-tax [profit for] the first half ending Se[pt.] 30 because of a slump [in] exports and sluggish al[loy] product sales. It recor[ded a] profit of Y4.36bn. for [the six] months ended March 31.

A company spokesman [said it] may incur a deficit o[f] Y10bn. in pre-tax account[s, which] it hoped to offset by [selling] securities, utilising [reserves] and cutting [expen]ditures.

The spokesman said [first-half] gross sales are expected [to be] maintained at about th[e same] level as the Y375.454m. [of the] previous term, backed [by in]creased heavy machiner[y]

OVERSEAS SHARE INFORMATION

NEW YORK

Investment premium based on $2.60 per £1—93¾% (96%)

CANADA

GERMANY ◆

Sept. 5	Prices Dm.	+ or −	Div. %	Yld. %
A.E.G.	72	+0.3	—	—
Allianz Versich.	460	+13	17	1.8
B.M.W.	223.5	+4.5	14	3.1
BASF	134.5		17	6.3
Bayer	113.9	+0.9	17	7.0
Bayer Hypo.	303.5	+1.5	18	3.0
Bayer Vereinsbk	332.5	−0.5	18	2.6
Commerzbank	201.5	+1	17	4.2
Contl. Gummi	78	+2	—	—
Daimler	310.5	+3.5	15	2.4
Degussa	224.5	−1	18	4.0
Demag	163	+2.5	—	—
Deutsche Bank	308	+3	20	3.2
Dresdner	238.1	+2.5	18	3.8
Dyckerhoff Zem't	180.6	+0.6	10	2.8
Gelsenberg	70		8	5.7
Gutehoffnung	166	+6	14	3.8
Hapag Lloyd	116	−1	12	5.2
Harpener (DM100)	154	+3	8	5.2
Hoechst	128.5	+1.2	18	7.0
Hoesch	52	+0.1	10	1.0
I.G. Farbeninliq.	3.50		—	—
Kali Salz (DM50)	117	+1.5	5	2.1
Karstadt	436	+6	20	2.3

AMSTERDAM

Sept. 5	Price Fls.	+ or −	Div. %	Yld. %
Ahold (Fl.20)	97.5	−0.5	18	3.7
Akzo (Fl.20)	34.7	+0.1	20	11.5
Algem Bnk (Fl.100)	316	−3	20	7.0
AMAS NV (Fl.10)	11.9	−0.1	10	8.4
AMEV (Fl.20)	56.2	−1	30	10.7
Amro Bank (Fl.20)	74.6	−0.2	20	5.4
Van Berkel (Fl.50)	119		15	6.2
Bijenkorf (Fl.20)	84	+1.5	21	5.0
Boka Westm. Fl.10	112.5		52	4.6
Buhrm-Tetterode	61.5		23	7.5

MILAN

Sept. 5	Price Lire	+ or −
Alitalia Priv.	1,040	−30
ANIC	730	+7
Ausonia Ass.	4,145	−5
Bastogi	1,298	+10
Breda	2,115	+10
Burgo	11,680	+170
Cantoni	7,600	+40
CIGA	1,307	+16
Cucirini	4,840	+200
Dalmine	344	

PARIS

BRUSSELS

SWITZERLAND ◆

COPENHAGEN

OSLO ◆

STOCKHOLM

TOKYO †

VIENNA

SPAIN ▼

AUTHORISED UNIT TRUSTS

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share [prices] previously shown under regional headings is presented below with quotations [in] London. Irish issues, most of which are not officially listed in London, are [sh]own separately and with prices as on the Irish exchange.

[Alb]any Inv. 20p	14	......	Craig Ship. £1	405	......	Shiloh Spinn.	24	......
[As]h Spinning	35	−1	Hallam Sleigh 10p	6	......	Sindall (Wm.)	40	......
[Be]rtam	18	......	Higsons Brew.	80	......			
[Brid]g'wtr. Est. 50p	128	......	I.O.M. Stm. £1	120	......	IRISH		
[Cl]over Croft	35	......	Holt (Jos.) 25p	185	......			
[Cr]aig & Rose £1	305	−5	Kleen-e-Ze	18	......	Alliance Gas (£1)	44	......
[Daw]son (R.A.)	30	......	Lovell's Ship £1	115	......	Carroll (P.J.)	127	+2
[Ellis] & McHdy.	58	......	N'thn. Goldsmith	92	......	Clondalkin	48	+2
[E]vans Fr'k.10p	35	......	P.M.A.	33	+2	Concrete Prods.	68	......
[Ev]ered	9	......	Pearce (C. H.)	60	......	Goodbody (£1)	38	......
[F]ife Forge	47	......	Peel Mills	12	......	Heiton (Hldgs.)	31	......
[F]inlay Pkg. 8p	16	......	Richards 10p	12	......	Irish Distillers	64	......
[F]rost & Reed 50p	83	......	Rob'sCaledon£1	20	......	Irish Wire	40	......
[G]ardiner & Sons	£1	......	Sayers 12½p	8	......	Jacob	55	+2
[G]ardner (L.)	69	−1	Sheffield Brick	58	......	Sunbeam	10	......
			Sheff. Refrshmt.	141	......	Unidare	55	......

BASE LENDING RATES

AFI International	10 %	Industrial Bank of Scot.	10 %
Allied Irish Banks Ltd.	10 %	Jacobs, Kroll	11½%
Anglo-Portuguese Bank	10½%	Keyser Ullmann	10½%
Henry Ansbacher	10½%	Knowsley & Co. Ltd.	11½%
Banco de Bilbao	10 %	Lloyds Bank	10 %
Banco de Jerez	10½%	London & European	11½%
Bank of Cyprus	‡10 %	London Mercantile	11½%
Banque du Rhone S.A.	10½%	Midland Bank	10 %
Barclays Bank	10 %	■ Samuel Montagu	10 %
Barnett Christie Ltd.	11 %	■ Morgan Grenfell	10 %
Bremar Holdings Ltd.	11 %	National Westminster	10 %
Brit. Bank of Mid. East	10 %	Northern Comm. Trust	10½%
Brown Shipley	10½%	Norwich General Trust	10½%
Cayzer Bowater Co. Ltd.	10½%	Portman Guaranty	11 %
Cedar Holdings	10 %	P. S. Refson & Co.	10 %
Charterhouse Japhet	10½%	Rossminster Accept'ces	10 %
C. E. Coates	10½%	Royal Trust of Canada	11 %
Consolidated Credits	12 %	Schlesinger Limited	10½%
Continental Trade Bk.	10 %	E. S. Schwab	11½%
Co-operative Bank	*10 %	Security Trust Co. Ltd.	11½%
Copleys Bank	11½%	Shenley Trust	11½%
Corinthian Securities	10 %	Standard & Chartered	10 %
Credit Lyonnais	10 %	Sterling Credit	12 %
C. R. Dawes	11 %	Thames Guaranty	11 %
Duboff Brothers	11½%	Trade Development Bk.	10 %
Duncan Lawrie	10½%	Twentieth Century Bk.	11½%
English Transcont.	11½%	United Bank of Kuwait	10 %
First London Secs.	10 %	Wallace Brothers Bank	10½%
Antony Gibbs	10½%	Whiteaway Laidlaw	10½%
Gonde Durrant Trust	10 %	Williams and Glyn's	10 %
Greyhound Guaranty	10 %	Yorkshire Bank	10 %
Grindlays Bank	10½%		
Guinness Mahon	10 %		
Hambros Bank	10 %		
Hawtin & Partners	13 %		
Hill Samuel	§10 %		
C. Hoare & Co.	†10 %		
Julian S. Hodge	11 %		

■ Members of the Accepting Houses' Committee.
* 7-day deposits 6½%, 1-month deposits 6¾%.
† 7-day deposits on sums of £10,000 and under 6½%; up to £25,000 7% and over £25,000 7½%.
‡ Deposit Base Rate 9½%.
§ Demand deposit 7½%.

FINANCIAL TIMES STOCK INDICES

—	Sept. 5	Sept. 4	Sept. 3	Sept. 2	Sept. 1	Aug. 29	A year ago
Government Secs.	61.63	61.68	61.50	61.57	61.69	61.88	55.59
Fixed Interest	61.19	61.16	61.04	61.03	61.02	60.97	54.28
Industrial Ordinary	327.3	329.3	320.9	322.1	325.4	327.6	215.1
Gold Mines	315.4	321.2	308.3	302.9	318.0	347.0	367.3
Ord. Div. Yld. %	6.53	6.28	6.45	6.45	6.57	6.55	9.29
Earnings Yld. % (full) (a)	17.61	18.11	18.59	18.56	18.98	18.50	24.77
P/E Ratio (net) (a) (b)	8.08	7.87	7.66	7.66	7.60	7.76	5.56
Dealings marked	5,312	4,461	4,828	5,453	6,820	5,371	4,473
Equity turnover £m	—	62.85	40.15	46.00	56.22	69.76	29.72
Equity bargains total	—	13,268	10,388	12,323	14,420	12,718	8,882

10 a.m. 329.8. 11 a.m. 330.4. Noon 328.7. 1 p.m. 327.5.
2 p.m. 328.8. 3 p.m. 326.8.
Latest index 01-246 8026.
(a) Based on 52 per cent. corporation tax. (b) Nil=8.01.
Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.54 (20/5)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.61 (21/5)	50.53 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	365.5 (5/6)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5)	280.2 (28/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	Sept. 5	Sept. 4
Daily—		
Gilt-Edged	153.3	146.2
Industrials	175.5	141.3
Speculative	54.2	62.5
Totals	120.9	101.5
5-day Av'r'ge		
Gilt-Edged	161.6	155.8
Industrials	168.2	168.4
Speculative	62.3	59.2
Totals	119.6	119.9

FT—ACTUARIES INDICES

—	Sept. 5	Sept. 4	Sept. 3	Sep. 2	Sept. 1	Aug. 29	A year ago
Industrial Group	131.71	131.64	129.13	128.37	129.75	130.19	83.48
500 Shares	146.19	146.04	143.34	142.70	144.17	144.60	90.23
Div. Yield pc	6.18	6.14	6.25	6.28	6.21	6.19	9.16
P/E Ratio (net)	8.23	7.51	7.16	7.13	7.20	7.22	5.31
All Share	142.22	142.30	139.84	139.14	140.80	140.92	88.48
Consols yield pc	13.92	13.92	13.91	13.91	13.90	13.98	15.20

CORAL INDEX
Close 326-331

I.G. INDEX
GOLD 152½-155½

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields shown (last column) allow for all buying expenses. a Offered prices include all expenses. b Today's opening price. c Distribution free of U.K. taxes. e Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Net of tax on realised capital gains unless indicated by ♦. † Guernsey gross. ‡ Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡ Single premium insurance bonds.

BANKING AND INSURANCE APPOINTMENTS

GENERAL APPOINTMENTS

CLASSIFIED ADVERTISING RATES

Appointments	£9.00
Industrial and Business Property	£9.00
Residential Property	£9.00
Business Opportunities	£11.00
Educational	£9.00
Motors	£9.00
Hotels and Travel	£9.00

The minimum depth of display advertisements and of boxed classified advertisements is: Three single column centimetres.

Larger advertisements are only accepted in multiples of whole centimetres.

Premium positions available—rates on request. Write to: Classified Advertisement Department, Financial Times, 10, Cannon Street, EC4P 4BY.

LEGAL NOTICES

No. 002426 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of LECSON AUDIO LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 17th day of July, 1975, presented to the said Court by Chater and Myhill of 10 Jesus Lane, Cambridge, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 6th day of October, 1975 and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

PENNINGTONS,
40 Aldwych,
London, WC2B 4LJ.
Agents for: Wild Hewitson and Shaw, of Cambridge,
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm or his or their solicitor (if any) and must be served or, if posted must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 3rd day of October, 1975.

COMPANY NOTICES

TENDERS FOR GREATER LONDON BILLS

1. The Greater London Council hereby give notice that Tenders will be received at the Chief Cashier's Office, Bank of England, London, EC2R 8AH, on Monday 15th September, 1975, at 12 noon for Greater London Bills to be issued in conformity with the Greater London Council (General Powers) Act, 1967, to the amount of £15,000,000.

2. The Bills will be in amounts of £5,000, £10,000, £25,000, £50,000, £100,000 or £250,000. They will be dated Thursday, 18th September, 1975, and will be due 91 days after date, without days of grace.

3. Each Tender must be for an amount not less than £25,000 and must specify the net amount per cent. (being a multiple of one new halfpenny) which will be given for the amount applied for.

4. Tenders must be made through a London Banker, Discount House or Broker.

5. The Bills will be issued and paid at the Bank of England.

6. Notification will be sent by post on the same day as Tenders are received, to the persons whose Tenders are accepted in whole or in part and payment in full of the amounts due in respect of such accepted Tenders must be made to the Bank of England, Loans Office, by means of cash or by draft or cheque drawn on the Bank of England not later than 1.30 p.m. on Thursday 18th September, 1975.

7. Tenders must be made on the printed forms which may be obtained either from the Chief Cashier's Office, Bank of England, London, EC2R 8AH, or from the Council's Offices at The County Hall.

8. The Greater London Council reserve the right of rejecting any Tenders.

M. F. STONEFROST
Comptroller of Financial Services
The County Hall,
London, SE1 7PB
8th September, 1975

NOTICE TO THE BONDHOLDERS OF ASIA NAVIGATION INTERNATIONAL LIMITED, BERMUDA

NOTICE IS HEREBY GIVEN that the Register of Members of Eastern Asia Navigation Company Limited, 21st Floor, Prince's Buildings, Hong Kong, will be CLOSED from 23rd September to 2nd October 1975, both days inclusive, during which period the 6½ per cent Convertible Guaranteed Bonds 1989 issued by Asia Navigation International Limited, [illegible] be convertible into fully-paid registered ordinary shares of Eastern Asia Navigation Company Limited.

8th September, 1975.

HEPWORTH CERAMIC HOLDINGS LIMITED

NOTICE IS HEREBY GIVEN that the Transfer Books for the 10¾% Debenture Stock 1992/97 of the above named Company will be CLOSED from the 20th September to 22nd September 1975, inclusive for the preparation of Interest Warrants.

J. BIRTWHISTLE
Secretary.
Genefax House
Sheffield S10 3FJ.

CRANE FRUEHAUF LIMITED

7% Debenture Stock 1986/91

NOTICE IS HEREBY GIVEN that the Transfer Books of the above Stock will be CLOSED from the 8th to 15th September, 1975 both dates inclusive.

By Order of the Board
BEGBIE, PICKERING & COMPANY,
Registrars
23 Bedford Row
London WC1R 4EB.

APPOINTMENTS

Barclays Canada new chairman

Mr. Brian Dowling has been appointed chairman of Barclays Canada. He was previously a regional general manager with Barclays Bank in London.

★

Mr. C. J. Bayes has resigned as a non-executive director of CHARLES CLIFFORD INDUSTRIES and from the Board of METAL PRODUCTS COMPANY (WILLENHALL).

★

Sir Jack Callard has joined FERGUSON INDUSTRIAL HOLDINGS as a non-executive director.

As part of its policy for re-organisation of its builders' merchants division on a regional basis, a number of subsidiaries have been amalgamated to form two new companies with the titles of Ferguson Cumbria and Ferguson Humberside. In addition N. F. Ramsay and Co. has been renamed Ferguson Ramsay.

★

Mr. H. H. Broadbent has been appointed managing director and group chief executive of TRIND (Triangle Valve Co.). He succeeds Mr. N. B. Hope, who has retired but remains a member of the Trind Board.

★

Mr. Eric George Tomlinson has been admitted to THE STOCK EXCHANGE as a member and will remain at Ashton Tod McLaren, of Liverpool, as an associate member.

Mr. A. K. M. Mohiuddin, until recently officer on special duty of SONALI BANK, London, has been appointed general manager for the U.K.

★

Mr. Harry Webb has been appointed treasury manager at ATLANTIC INTERNATIONAL BANK, with responsibility for currency dealings. He was previously with Charles Fulton and Co., money brokers.

★

Mr. Peter Odell has joined AMOA CHEMICAL COMPANY as works director. The company is a member of the Hepworth Ceramic Group.

★

Mr. Frank O. Gregg has been appointed a director of K.P.B., the London-based meat wholesalers and suppliers. He becomes financial director and company secretary with effect from September 22. Mr. Gregg was formerly company secretary of Scot Meat Products.

★

Mr. J. H. Bonas, Mr. R. A. Chandler and Mr. G. E. Garrett have resigned from the Board of HAMILBORNE and Mr. E. D. Barkway has been appointed a director.

★

Mr. Gordon Kennedy had been elected to the Board of CHRYSLER UNITED KINGDOM. He is director of the company's supply and quality division.

After consultation with the CBI, the Treasury has appointed as members of the independent REVIEW BOARD FOR GOVERNMENT CONTRACTS Sir Alec Cairncross to succeed Lord Roberthall as a Government nominee and Mr. J. L. King to succeed Sir St. John Elstub as a CBI nominee. Sir William Slimmings, chairman of the Board, and two of its members, Mr. B. S. Eckersley and Viscount Caldecote, have been reappointed.

★

Mr. Bill Simpson, chairman of the Health and Safety Commission, has appointed Mr. J. Carver HM Chief Inspector of Mines and Quarries, as chairman of the MINING QUALIFICATIONS BOARD as from November 1 in succession to Dr. H. S. Stephenson, whose period of office ends on October 31. Dr. Stephenson has been chairman of the Board since his retirement in 1970 as HM Chief Inspector of Mines and Quarries. Mr. B. Duckworth, HM Deputy Chief Inspector of Mines and Quarries, has been appointed a member of the Board in place of Mr. Carver. The Commission has appointed Mr. A. Bulmer a member of the Board in place of the late Mr. K. H. Saunders. Mr. Bulmer is Safety Engineer of the National Union of Mineworkers. Mr. Bill Simpson has appointed Mr. A. Bulmer and Mr. L. J. Mills to be members of the SAFETY IN MINES RESEARCH ADVISORY BOARD. Mr. Mills is a member of the National Coal Board.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

COMPANY MEETINGS—
Allen (Edgar), Sheffield 2.30
Manson Finance Trust, Grosvenor House Hotel, W., 11.30
Mining Supplies, Doncaster 12
Scott (James) Engineering, Glasgow 12
Second Great Northern Investment Trust, Glasgow, 12.30

BOARD MEETINGS—
Finals:
Glendevon Inv. Tst.
Grimshawe
Leisure and General
Interims:
Cosalt
Merchants Tst.
Ocean Transport and Trading
Revertex Chemicals
Simon Engineering

DIVIDEND & INTEREST PAYMENTS—
Assoc. British Foods £7.1010
Atlas Stone 1.85p
Bingham 6½pcBds. Red. 10.3.76 3¼pc
Brentwood 6½pcBds. Red. 10/3/76 3¼pc
Dewhurst and Partner Ord. and A 0.239p
Dunlop Db. Stk. 3½pc
Eastbourne 6½pcBds. Red. 10/3/76 3¼pc
Great Northern Inv. Tst. 1.02p
Gunn (A.) 1.6407p
International Inv. Tst. 4½pcPf. 1.575pc
K Shoes 0.77p
Lynton 1p
Reabrook Inv. Tst. 0.6p
Renold Ln. Stk. 3[illegible]pc
Astra Secs. 0.325p
Ayr 11⅝pcBds. Red. 17.3.76 5[illegible]pc
Bexley 11⅝pcBds. Red. 17.3.76 5[illegible]pc
Braintree 11⅝pcBds. Red. 17.3.76 5[illegible]pc
Brent 11⅝pcBds. Red. 17/3/76 5[illegible]pc
CBS Inc. 36.5 cts.
Canterbury 11⅝pcBds. Red. 17/3/76 5[illegible]pc
Carborundum 42.5 cts.
Carlton Inds. 2.75p
Clydebank 11⅝pcBds. Red. 17.3.76 5[illegible]pc
Continental Oil 50 cts.
Corby 11⅝pcBds. Red. 17/3/76 5[illegible]pc
Danks Gowerton 1.25p
Doncaster 11⅝pcBds. Red. 17/3/76 5[illegible]pc
Dumbarton 11⅝pcBds. Red. 17.3.76 5[illegible]pc
East Devon 11⅝pcBds. Red. 17.3.76 5[illegible]pc
East Lancs. Paper 1.172p
First Union Gen. Inv. Tst. 3.25 cts.
Ford Motor B.D.R.'s 3 cts.
Fort William 11⅝pcBds. Red. 17.3/76 5[illegible]pc
Gestetner 1.5689p
Hales Props. 1.35p
Halton 11⅝pcBds. Red. 17.3.76 5[illegible]pc
Hawick 11⅝pcBds. Red. 17.3.76 5[illegible]pc
Hereford 11⅝pcBds. Red. 17.3.76 5[illegible]pc
Hertsmere 11⅝pcBds. Red. 17.3/76 5[illegible]pc
Idris Hydraulic Tin 3p
Islington 11⅝pcBds. Red. 17.3.76 5[illegible]pc
Kettering 11⅝pcBds. Red. 17.3.76 5[illegible]pc
Kirklees 11⅝pcBds. Red. 17.3.76 5[illegible]pc
Manchester 11⅝pcBds. Red. 17/3/76 5[illegible]pc
Medina 11⅝pcBds. Red. 17/3/76 5[illegible]pc
New London Props. 2.8122p
North Warwickshire 11⅝pcBds. Red. 17.3.76 5[illegible]pc
Norton (W. E.) 0.21979p
Provincial Cities Tst. 1.34p
Sandwell 11⅝pcBds. Red. 17/3/76 5[illegible]pc
Shepway 11⅝pcBds. Red. 17/3/76 5[illegible]pc
Sorec 3.25 cts.
South Staffordshire 11⅝pcBds. Red. 17.3.76 5[illegible]pc
Taunton Deane 11⅝pcBds. Red. 17.3.76 5[illegible]pc
Three Rivers 11⅝pcBds. Red. 17.3.76 5[illegible]pc
Wandsworth 11⅝pcBds. Red. 17.3/76 5[illegible]pc
Welwyn Hatfield 11⅝pcBds. Red. 17.3.76 5[illegible]pc
West Yorkshire Passenger Transport Executive 11⅝pcBds. Red. 17.3.76 5[illegible]pc
Wigan 11⅝pcBds. Red. 17/3/76 5[illegible]pc
Winchester 11⅝pcBds. Red. 17.3/76 5[illegible]pc
Yeoman Inv. Tst. 1.95p

TO-MORROW

COMPANY MEETINGS—
Continental and Industrial Trust, 120 Cheapside, E.C., 3
Crowther (John), Huddersfield, 11
Fertleman (B.), Tower Hotel, E., 3
Hampton Gold Mining Areas, Chartered Insurance Institute, Aldermanbury, E.C., 12
Siebe Gorman, Winchester House, E.C., 12.30

BOARD MEETINGS—
Finals:
Diploma Invs.
Esperanza Trade and Transport
Falcon Mines
Land Investors
Interims:
Audiotronic
Costain (Richard)
Jove Inv. Tst.
Reckitt and Colman
Union Corp. (U.K.)

DIVIDEND & INTEREST PAYMENTS—
Crowther (John) 0.488p
Mining Supplies 2p
Peterborough Motors 1.1p
Second Great Northern Inv. 1p
Treasury Stk 11½pc 1979 5¾pc

WEDNESDAY, SEPTEMBER 10

COMPANY MEETINGS—
Clive Discount, 1, Royal Exchange Avenue, E.C., 12
Econa, Solihull, 12
Ferranti, Millbank Tower, Millbank, 11.45
Heron Motor, Connaught Rooms, W.C., 12
H. King, Pentecost, Nottingham, 12
India General Navigation and Railway, 40, St. Mary Axe, E.C., 12.15
Ratners (Jewellers), 95, Wigmore Street, W., 11.30
Richards of Sheffield, Sheffield, 12
Western Motor, Plymouth, 11.45

BOARD MEETINGS—
Finals:
Amber Day, Armstrong Equipment, Coronation Syndicate, Felixstowe Dock and Railway, London Atlantic Inv. Tst., Tweefontein United Collieries, Walker (Thomas), Zetters.
Interims:
Collins (Wm.), Dewhurst (I. J.), Expanded Metal, Guardian Royal Exchange Assurance, Marshall Morgan and Scott, Newbold and Burton, Phoenix Assurance, Steetley, Taverner Rutledge, Winston Estates.

DIVIDEND & INTEREST PAYMENTS—
AMF Inc. 31 cts.
Agricultural Mortgage Corp. 6½pcDb. Stk. 85-90 3¼pc. 7½pcDb. Stk. 81-84 3¾pc. 9½pcDb. Stk. 80-85 4¾pc
American Assoc. 0.166099p
Ashfield 13¼pcBds. Red. 10.9.75 £7.1010
Assoc. Spring Corp. 35 cts.
Barking 13¼pcBds. Red. 10.9.75 £7.1010
Basildon 13¼pcBds. Red. 10.9.75 £7.1010
Bridgewater Inv. Tst. 0.35p
Bullough 1.687p
Chorley 13¼pcBds. Red. 10.9.75 £7.1010
Darlington 13¼pcBds. Red. 10/9.75 £7.1010
Davenport Knitwear 2.84p
Dew (G.) 1.625p
East Hertfordshire 13¼pcBds. Red. 10.9.75 £7.1010
Fertleman (B.) 0.823556p
Gateshead 13¼pcBds. Red. 10.9.75 £7.1010
General Motors Corp. Com. [illegible] cts.
Grace (W. R.) 40 cts.
Havant 13¼pcBds. Red. 10.9.75 £7.1010
[illegible] of London 0.503866p
Intl. Business Machines Corp. 175 cts.
Kirklees 13¼pcBds. Red. 10.9.75 £7.1010
Kraftco 48 cts.
Lambeth 13¼pcBds. Red. 10.9.75 £7.1010
Leeds 13¼pcBds. Red. 10.9.75 £7.1010
Liverpool 7pc Stk. 76-77 3½pc. 13¼pc B.s. Red. 10.9.75 £7.1010
Luton 13¼pcBds. Red. 10.9.75 £7.1010
Milton Keynes 13¼pcBds. Red. 10.9.75 £7.1010
Newcastle Upon Tyne 9¼pcCons. Red. 78-80 4[illegible]pc. 13¼pcBds. Red. 10.9.75 £7.1010
Orkney 13¼pcBds. Red. 10.9/75 £7.1010
Redbridge 13¼pcB.s. Red. 10.9.75 £7.1010
Salford 13¼pcBds. Red. 10.9.75 £7.1010
Squibb Corp. 31 cts.
Texaco Inc. 50 cts.
Travelers Corp. 27 cts.
Treasury Stk. 5½pc 2008-12 2¾pc. 6½pc 1977 3¼pc
Warner-Lambert 23 cts.
Warrington 13¼pcBds. Red. 10.9.75 £7.1010

THURSDAY, SEPTEMBER 11

COMPANY MEETINGS—
Allnatt London Properties, Winchester House, E.C., 12
Associated Television, 17, Great Cumberland Place, W., 12
Astra Securities, Birmingham, 11.30
British Land, May Fair Hotel, Berkeley Street, W., 12
Bulmer (H. P.), Hereford, 2.30
Carlton Industries, Bristol, 11
Danks Gowerton, Dudley, West Midlands, 11
Fisher (Albert), Burnley, 12.30
Hales Properties, Sutton Coldfield, 12
Kinta Kellas Rubber Estates, 1, Great Tower Street, E.C., 12
Mitchell Somers, Connaught Rooms, W.C., 11.30
New London Properties, The Dorchester, W., 12.15
Wallis (Costumiers), Connaught Rooms, W.C., 11.30

BOARD MEETINGS—
Finals:
Estates Property Inv., Galliford Brindley, Harmony Gold Mining, London Merchant Secs., Mills and Allen Intl., Peters Stores, St. Helena Gold Mines, Wood Bastow.
Interims:
Brent Tin and Wolfram, Biddle, Brandon and Cloud Hill Lime Works, Carpets Intnl., Dickinson Robinson Group, Fisher (James), Hepworth Ceramic, Lead Inds., Marchester [illegible], Portals, Richards, and Wallington, Royal Dutch Petroleum, Shaw Steels, [illegible] Transport and Trading, Wilson (Connolly).

DIVIDEND & INTEREST PAYMENTS—
Allied Manufacturing and Trading Inds. 7 cts.
Econa 1.1205p
Fisher (Albert) 0.326p
Gould Invs. 5.59524p
Gold Fields Prop. 5.28479p
Initial Services 2.499547p
Miller (H.) Invs. 2.0129p
Rothmans Intl. B Ord. 0.9798p
Thermal Syndicate 1p
U.C. Inv. 7.27340p
Vereeniging Refractories 10 cts.
Vosper Thornycroft 1.5p

FRIDAY, SEPTEMBER 12

COMPANY MEETINGS—
Cooper (Frederick), Wolverhampton, 12
Hampson Industries, Birmingham, 3.15
Hollas, Altrincham, 11
Marshall (Thomas) Invs., Manchester, 12
Nolton Estates, Savoy Hotel, W.C., 11.30
R.F.D., Winchester House, E.C., 12
St. George's Laundry (Worcester), Worcester, 12
Stroud Riley Drummond, Bradford, 12

BOARD MEETINGS—
Finals:
Bracken Mines
Edwards (1936)
Kinross Mines
Leslie Gold Mines
Winkelhaak Mines
Interims:
Early (Chas.) and Marriott (Witney)
Reyrolle Parsons
Yorks. Chemicals

DIVIDEND & INTEREST PAYMENTS—
Albion 0.709p
Allnatt London Props. 2.4p
Amber Valley 11⅝pcBds. Red. 17.3.76 5[illegible]pc

SATURDAY, SEPTEMBER 13

DIVIDEND & INTEREST PAYMENTS—
R.F.D. 0.8789p

SUNDAY, SEPTEMBER 14

DIVIDEND & INTEREST PAYMENTS—
Gerrard and National Discount 6pcPf. 2.1p

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Beswick is to study U.S. air industry

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

D BESWICK, Minister of e for Aerospace, is to study U.S. aerospace industry from tember 24, with a visit to ing in Seattle, followed by to Lockheed and possibly also onnell Douglas in Los eles.

lthough the visit is mainly to ate himself and his senior isers on present and future civil programmes, the Minis is likely to be invited to dis s the possibility of a U.K.-U.S. in Boeing's next major ven , the 7X7 medium-range jet iner.

oeing is known to be anxious ncrease overseas financial and nical participation in this ture (already Aeritalia of y has a 20 per cent. interest, Boeing is talking with the anese), and it would like some participation.

his would help Boeing con erably in securing part of the ropean airline market for dium-range aircraft.

he U.K. Government is also ected to have talks soon with French, West German and ch Governments on a more fied European aerospace in try, with perhaps a new medium-range airliner project as a starting point.

The U.K. therefore, should be well briefed on available options, so as to be able to consider this winter which way the British aerospace industry ought to go—either closer to Europe or closer to the U.S.—especially in the light of forthcoming nationalisation.

While many in the industry appear strongly in favour of a closer European attachment, especially on the next generation of civil jets, others believe it would be wrong to rule out entirely future collaboration with the U.S. on airframes as well as on engines.

The situation is uncertain, with nearly every aerospace industry in the Western world reviewing its plans in the light of cash shortages and restricted markets.

In such a climate, the U.K. Government believes—especially since it is going to have to put up the cash for anything that the industry does—that it would be better to move ahead slowly and it may be some time before any new clear-cut U.K. aerospace policy emerges.

● NEWS ANALYSIS—MILK POWDER

A mountain that has reached 1m. tons

BY JOHN CHERRINGTON

THE FUSS about the EEC's refusal to sell 10 tons of skimmed milk powder to OXFAM coincides with the news that the community's skimmed milk powder mountain has now reached the figure predicted earlier this year of 1m. tons.

No one seems to know what to do with it or how much bigger it will grow. The most obvious solution would be to subsidise it for animal feed. A quantity is, in fact, used for high-quality calf food at about £270 a ton, down £220 from the Intervention Price of about £490 per ton, but the market at this figure is limited.

To make it competitive with the cheaper proteins such as soya bean meal, the price would have to come down to about £90 per ton, requiring a subsidy of nearly £400 for every ton sold.

Some has been sold or given as food aid, but the market for this form of charity is glutted with supplies from the United States and others competing for the developing countries which, in any case, have not got the organisation to take the enormous quantities available.

The increase in the skim supply has been aggravated by the difficulties in the cheese market which is forcing manufacturers to divert increasing milk supplies to butter manufacture.

Unlike the United Kingdom, where the guarantee for milk has been on the liquid market, that in the Common Market has always been for butter and skimmed milk with intervention buying as a means of support.

Sensitive

This very high community price for skimmed milk powder is basically a subsidy for butter. The manufacture of one ton of butter produces 2 tons of powder and in order to keep the price of butter for the consumer down and avoid building up large intervention stocks of this politically sensitive produce, the guaranteed price for skimmed milk powder was raised to the present uneconomic levels in relation to comparable proteins.

In spite of this, butter stocks are high with a total of more than 250,000 tons in intervention or subsidised storage. Had it not been for the British market, which is taking more than 300,000 tons of community butter, the butter mountain would be a great deal higher.

The only suggestion which has emanated from the Commission for controlling the surplus has been that dairy producers should become responsible for their own over-production by effectively taking lower prices.

This is being actively pressed by the West Germans who pay a large proportion of the cost of the common agricultural policy. It is reported that Herr Erl, the German Minister of Agriculture is recommending the introduction of cow slaughter premiums once again.

There is remarkably little realisation of all this among British farmers and the dairy industry, probably because they cannot yet accept that the problems of European dairy surpluses are common to the Nine. Ostrich-like, they prefer to hide their heads in the sand while abusing the Government and the Minister of Agriculture.

It is believed that Mr. Peart, Minister of Agriculture, tries hard to raise farmers' prices through a full devaluation of the green pound.

He was overruled by the Cabinet which restricted the devaluation to 5 per cent. with the intention of keeping consumer prices down and in the knowledge that the huge EEC surpluses of milk products were already available.

Labour becoming an extremist party, says Mrs. Thatcher

MRS. MARGARET THATCHER, the Opposition Leader, claimed at a Conservative Party meeting in Ardrossan, Ayrshire, yesterday, that the Labour Party was becoming dominated by extremists.

"It seems to most of us that the Labour Party is being progressively taken over by the extremists in the party," she said.

It was happening all the time. There were a number of what are termed moderate Labour MPs and their constituencies were trying to tip them out and replace them with others of more extreme Left-wing viewpoints.

"More and more the Labour Party moves to being an extreme party, dominated by its extremists.

"In theory these others are in the majority and ought to say to the extremists: 'Look, we are in the majority and we are going to have more moderate policies.' But in practice they are more obsessed with keeping that party together—although it is two parties, a Marxist Party and a Labour Party—that they are prepared to move towards the extremist side all the time, to keep it together."

Mrs. Thatcher is on a four-day visit to Scotland. During the next three days she will visit a North Sea oil rig, an Aberdeen fish market and spend a day in Glasgow.

Improvement

In Fairlie, Ayrshire, on Saturday, Mrs. Thatcher pledged the Tories to ensuring that the self-employed and small businesses "have justice."

She said that these groups had been singled out for the "most unfair overheads. They have seen a reduction in the National Insurance contributions, which they collect from their employees, while their own contributions have been savagely increased."

Mrs. Thatcher attacked over-taxation and said that the Tories were examining the whole area of capital taxes, especially those on small businesses to ensure that they could continue from one generation to the next.

The party would "create an atmosphere in which enterprise and hard work will pay off, and where initiative will be rewarded," she declared.

"We recognise that a growing proportion of our people want to have a real and personal share in the nation's wealth—to be owners, makers and sellers."

Mrs. Thatcher—the daughter of a grocer—said that the Tories also recognised that businesses "don't just happen. They are the product of hard work, commercial judgment and ploughing back savings for improvement and expansion.

"Our tax policies must take account of these things."

Earlier she said that the Conservatives would need "to lift from the business community the disparagement and discrimination to which it is subjected. Particularly, we must encourage smaller businesses, for they are the soil in which to-morrow's prosperity grows.

Businessman's Diary

U.K. TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	Furnishings and Decorative Lighting (cl. Sept. 11)	Metropole, Brighton
Current	International Gift Trade Fair (cl. Sept. 11)	Manchester
To-day	Electro-Optical Systems and Lasers (cl. Sept. 12)	U.S. Trade Centre, W.1
Sept. 9—11	Inst. of Groundsmanship Exhibition	Motspur Park, Surrey
Sept. 9—12	Menswear Fashion Fair	Manchester
Sept. 9—20	Food, Cookery and Catering Exhibition	Manchester
Sept. 9—20	Chelsea Antiques Fair	Chelsea Town Hall
Sept. 10—20	East Midlands Home Life Exhibition	Leicester
Sept. 14—18	International Watch and Jewellery Trade Fair	Royal Lancaster Hotel, W.2
Sept. 15—19	Plant Engineering and Maintenance Exbn.	Earls Court
Sept. 16—18	Automatic Testing Exhibition and Conf.	Bloomsbury Centre Hotel
Sept. 16—19	Dust Control and Air Cleaning Exbn.	Olympia
Sept. 16—19	Foodpack International Exhibition	Earls Court
Sept. 16—19	Filtration and Separation Exhibition	Olympia
Sept. 16—19	Offshore Europe '75 Exbn. and Conf.	Aberdeen
Sept. 21—24	Menswear Assn. of Britain Exhibition	Harrogate Exbn. Centre
Sept. 23—25	Electronic Instrument Exhibition	Bloomsbury Centre Hotel
Sept. 23—25	London International Footwear Fair	Earls Court
Sept. 29—Oct. 2	Southern Floorcoverings Exhibition	Metropole, Brighton
Sept. 29—Oct. 3	Below the Line — SPEC '75 Exbn.	Olympia
Oct. 1	Meat Trade Exhibition	Racecourse, Doncaster
Oct. 1—3	British Computer Society Datafair	Cunard Intnl. Htl., W.6
Oct. 1—8	Business Efficiency Exhibition	Olympia
Oct. 1—18	Modern Homes Exhibition	Kelvin Hall, Glasgow
Oct. 5-8	SpeciBuild '76	Olympia
Oct. 6—8	London Pram Fair	Russell and Bloomsbury Ctr.
Oct. 7—9	National Housing and Town Planning Exbn.	Exbn. Centre, Harrogate

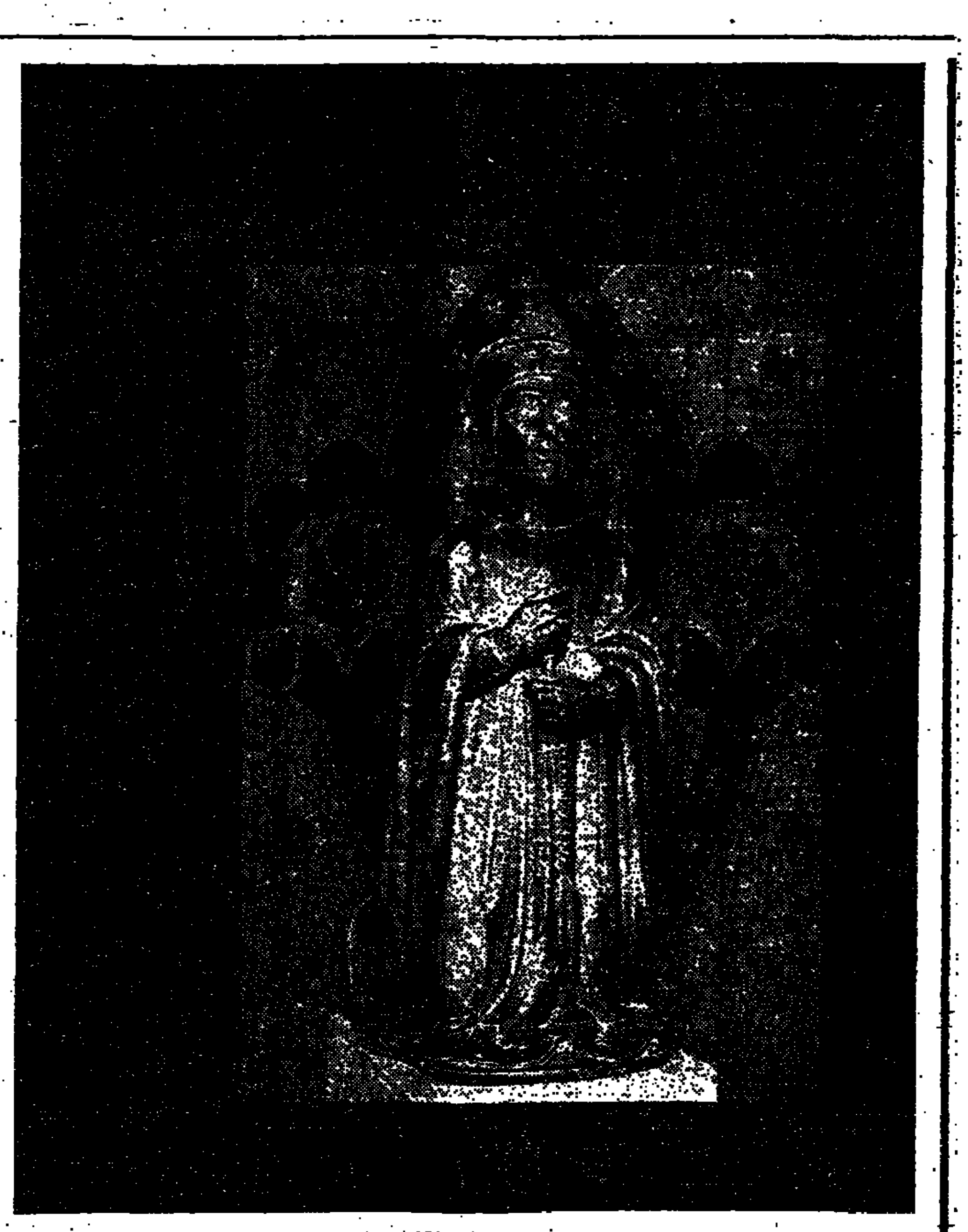
OVERSEAS TRADE FAIRS AND EXHIBITIONS

Current	International Trade Fair (cl. Sept. 10)	Plovdiv, Bulgaria
Current	Women's, Children's and Men's Wear (cl. Sept. 9)	Paris
Current	International Leather Fair (cl. Sept. 9)	Paris
Current	International Fashion Trade Fair (cl. Sept. 10)	Dusseldorf
Sept. 9—13	Electronics and Electrical Eng. Trade Fair	Basle
Sept. 10—18	International Engineering Fair	Brno, Czechoslovakia
Sept. 11—21	International Motor Show	Frankfurt
Sept. 12—21	Zagreb International Fair	Zagreb
Sept. 13—28	National Fair—Comptoir Suisse	Lausanne
Sept. 15—18	Intnl. Airport Construction and Equip. Exbn.	Brussels
Sept. 16—21	Design Engineering Exhibition	Tokyo
Sept. 18—19	British Textile Designers' Fair	Amsterdam
Sept. 26—Oct. 5	International Hi-Fi Exhibition	Stockholm
Sept. 20—23	Pan-African Textile Exhibition	Abidjan, Ivory Coast
Sept. 25—29	Overseas Import Fair	Berlin
Oct. 2—8	World Telecommunication Exhibition	Geneva
Oct. 5—9	International Fashion Week	Munich

BUSINESS AND MANAGEMENT CONFERENCES

Current	Harry Mitchell and Prts.: Work Study (cl. Sept. 26)	Beeston, Notts.
Current	IEE: Management in Engineering (cl. Sept. 12)	London Grad. Bus. Sch., NW1
Current	W. D. Scott and Co.: Clerical Work (cl. Sept. 26)	Moor Hall, Cookham, Berks.
To-day	Ashridge Man. Coll.: Management Dev. (cl. Oct. 3)	Berkhamsted, Herts.
Sept. 10—11	Financial Times and the Oil Daily: World Coal	Europa Hotel, W.1
Sept. 10—18	International Commission on Illumination	Imperial College, W.
Sept. 11—12	BIM: Effective Speaking	Parker Street, W.C.2
Sept. 15—19	P-E Cons. Group: Leadership in Management	Egham, Surrey
Sept. 16	Legal Studies: Unauthorised Squatters	London Hilton
Sept. 16—18	BACIE Annual Conference: Educated for What?	St. John's Coll., Cambridge
Sept. 16—19	Participation in Practice: The Way Ahead	Brunel University
Sept. 17	Netherlands Brit. Cham: Distribution in Europe	Excelsior Hotel, Manchester
Sept. 17	Seminar Services: Investment Opportunities	Dorchester Hotel, W.
Sept. 17	Bus. and Ind. Trng.: Tax planning for Dentists	Royal Garden Hotel, W.8
Sept. 18	IPS: Health and Safety at Work Act	NFBTE Centre, W.1
Sept. 21—Oct. 3	*Manufacturing Policy for Senior Managers*	*Bradford University*
Sept. 22—24	IMF: Manpower Planning in Practice	Park Court Hotel, W.
Sept. 22—24	ORC (U.K.): Expatriate Pay Policies	Chicago
Sept. 23—24	Assocn. Cert. Acctnts: Corporate Planning	Clifton Ford Hotel, W.
Sept. 24	Arab Mkt. Res.: Selling to Arabian Peninsula	Birmingham Ch. Com.
Sept. 24—27	Harry Schultz: Gold and Monetary Confce.	Geneva
Sept. 25	London Chamber of Commerce: Export Finance	Cafe Royal, W.1
Sept. 28—Oct. 1	Stanford Res. Inst.: Decision Analysis	Lake Como, Italy
Sept. 29—Oct. 1	Tack Org.: Finance for Non-Accountants	London, S.W.1
Oct. 2—4	London Chart. Acctnts: Capital Transfer Tax	Grand Hotel Eastbourne
Oct. 5—10	Covendale Organisation: Middle Managers	Darlington
Oct. 5—10	C. and C.A.: Use of Concrete in Schools	Training Centre, Fulmer
Oct. 6—10	ICMA: Production Techy. for Mgmt. Acctnts.	Birmingham University

The Financial Times and Institute of Chartered Accountants conference on the Sandilands Report, listed last week for Sept. 16—17, has been postponed until Nov. 5—6.



FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (Miscel.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 56¼% (based on $2.1090 per £)

CANADIANS

[illegible]

S.E. List Premium 56¼% (based on $2.1726 per £)

Conversion factor 0.6262 (0.6257)

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Cont.

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS & CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

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هكذا من الأصل

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

Finance, Land, Etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMONDS AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

Dividends Paid		Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
[illegible]							
Dec.	Apr.	Kamunting 15p	55	[illegible]	6.0	0.8	15.9
July	Dec.	Killinghall	150	7.4	43	—	12.3
Apr.	Dec.	London Tin 25p	155	24.3	7.0	1.3	7.0
Jan.	June	Malay Dredging	130	5.5	g43.9	1.6	9.4
June	Dec.	¶Pahang	42	21.4	‡h12½	1.5	7.7
July	Jan.	Pengkalen 10p	50	21.4	7.0	1.0	21.5
March		Petaling $M1	99	271	—	—	—
Jan.	July	Saint Piran	18	11.9	0.65	3.5	5.4
Apr.	Nov.	South Kinta (10p)	112	27.1	†3.25	3.9	11.3
June	Dec.	Sthn. Malayan	135	5.5	g45.9	1.4	12.7
July	Dec.	Sungei Besi 25p	45	2.6	30	3.0	13.3
Mar.	Oct.	Sungei Way $M1	30	2.9	2Q10	—	5.8
Sept.	July	Tanjong 15p	55	23.7	4.35	2.3	12.2
Jy Mar	Sep	Tongkah Hb $M1	54	31.1	‡Q50	1.3	‡
Apr.	Oct.	Tronoh	64	10.3	†4.02	3.5	9.9

COPPER

Dividends Paid		Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
—		Botswana RST P2	63	—	—	—	—
June	Dec.	Messina R0.50	355	2.6	‡Q50c	2.9	‡

MISCELLANEOUS

Dividends Paid		Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
—		Burma Mine 17½p	8	19.5	m0.5	—	1.7
—		Charterhall 5p	56	3.67	—	—	—
—		Colby Mines $1	75#	—	—	—	—
Aug.	Feb.	Cons. Murch. 10c	660	30.6	‡Q130c	2.2	‡
—	—	Laurasia	38	—	—	—	—
—		NBD $1	13	—	—	—	—
July		Northgate C$1	275	30.9	Q55c	1.0	10.2
Jan.	June	R.T.Z.	163	21.4	4.97	4.4	4.7
—		Sabina Inds. C$1	60	—	—	—	—
—		Stanford Mines $1	51	—	—	—	—
—		Tara Expln. $1	£11⅛	—	—	—	—
—	—	Yukon Cons C$1	66	11.65	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, *are gross and allow for value of declared distributions and rights.* Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- A Sterling denominated securities which include investment dollar premium.
- • "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- •• Free of Stamp Duty.
- ♣ Merger bid or reorganisation in progress.
- ♠ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ¶ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ∥ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. M Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 21

FINANCIAL TIMES

Monday September 8 1975

Developing nations' deficit threatens global recovery

BY PAUL LEWIS, U.S. EDITOR

WASHINGTON, Sept. 7.

THIS YEAR'S annual IMF meeting has broken up amid widespread fears that the growing financial plight of the developing countries may undermine next year's hoped-for recovery in world trade and deepen the global recession.

As a result, the fund staff and financial ministries throughout the industrial world are giving urgent attention to a number of schemes for injecting heavy quantities of balance of payments aid into the developing countries to sustain their demand for the manufactured exports of the rich.

Similar

Dr. Witteveen, the IMF managing director, at his closing Press conference on Friday, said that the fund Board would be pushing ahead immediately with its plans to enlarge and liberalise the existing IMF compensatory finance scheme which helps developing commodity producers cover shortfalls in their export earnings.

Member governments will also be examining Dr. Henry Kissinger's proposal for a vastly increased facility of a similar kind which the U.S. Administration now prefers to the global system of commodity pricing agreements many developing nations want.

The next few weeks should also see agreement on the technical aspect of the new IMF trust fund, which will channel profits from the forthcoming gold sale to the poorer nations.

Behind this growing concern over the financial position of the developing nations lies the stark fact that they are now supporting single-handed the whole of the counterpart deficit to the oil exporters' surplus. Unless emergency assistance reaches them quickly, they will run out of money and reduce their imports even more sharply than so far this year.

This would depress activity in the industrial countries just when governments are hoping for a gradual recovery in world trade.

According to the latest IMF estimates, the whole of this year's expected $50bn. OPEC surplus will be reflected in the deficits of the developing world.

While the industrial countries (North America, EEC, Japan) as a whole are expected to be in balance, the more developed primary producers chase a $41bn. deficit in contrast with a $1.5bn. surplus in 1973.

The non-oil developing primary producers will have a $35bn. deficit, four times their $9bn. deficit two years ago.

However, even these figures may be too optimistic. Mr. Emile van Lennup, the OECD secretary-general, told the IMF interim committee last week that he was revising substanially the forecasts contained in last June's OECD Outlook which roughly correspond to those of the IMF.

On Friday, the OECD's Working Party 3 examined some new estimates suggesting the industrial countries might run a $10bn. surplus this year, so further depressing earnings of the poorer nations.

Whatever their precise value, such projections are also being used by countries like the U.K. which believe the better placed industrial countries should adopt more expansionary policies and so accept a greater part of the OPEC-induced deficit themselves.

Hopes

Whether they will or not remains the principal piece of unfinished business left over from this year's IMF meeting.

Nothing very encouraging was said during the public sessions, but there are hopes that next year's elections will keep both the U.S. and West Germany on an expansionary course, while recent bankruptcies in Japan may encourage the Government to move in a similar direction.

Offshore industry starts to recruit

By Chris Baur, Scottish Correspondent

A BIG build-up of labour has just begun at the three principal North Sea oil platform construction yards in the Highlands of Scotland.

The recruitment, the bulk of which will take place during the next few months, will add another 1,650 employees to the 3,300 payroll of the three sites.

The expansion is being undertaken in preparation for the planned 1977 float-out of production platforms for the Ninian and Heather oilfields. It is the most significant recent example of industrial growth north of the border and contrasts starkly with rising unemployment levels elsewhere in Scotland.

The largest recruitment is by the Anglo-American Highland Fabricators' group at NIGG, where the labour force is being raised by the end of the year from about 1,600 to 2,600.

The company expects to "mop up" all local unemployment relatively quickly and thereafter will seek recruits, both labourers and skilled tradesmen, from the industrial areas of central Scotland and further afield. Many will be on short-term contracts.

Steel jacket

Having just delivered its second Forties field production platform to BP, seven weeks ahead of schedule, it is now embarking on a 20,000-tonne steel jacket for Chevron's Ninian field. It is also undertaking pipework for Occidental, Total Marine and Elf Norge.

Also on the Moray Firth, the McDermott Scotland fabrication yard at Ardersier is more gradually adding another 200 people to its present payroll of 1,300, between now and next summer.

The yard is building a complete steel platform for Union Oil's Heather field—the first "package deal" comprising the platform jacket, decks, modules and piling—yet awarded to one contractor.

On the west coast, at Loch Kishorn, the Howard Dor's consortium is planning to double its labour force of 400.

The company is now starting work on the 400,000-tonne concrete platform (the largest so far ordered in the North Sea), also for the Ninian field.

On the Clyde estuary, work is nearing completion on the Government-sponsored Portavadie yard which has been leased for concrete-structures building to the Sea Platform Constructors group. The Government has spent about £12m. on the preparation of the site in advance of an order.

THE LEX COLUMN

Shareholders aft... Sandilands

Finance directors contacted on Friday were unanimous in their approval of the recommendations in the Sandilands Report. The current cost method gets directly to grips with their major problem, that of financing the inflated costs of stock and plant replacement. Industry's suspicions of the CPP method have been confirmed by the way overgeared companies have emerged as its major beneficiaries. But the professional chartered accountants are far from being convinced that a system which ignores the effects of inflation on monetary assets and liabilities, and ignores the shrinking of the unit of measurement (the £) from year to year can really be, as the Report claims, "a fully comprehensive method of accounting for inflation."

Capital protection

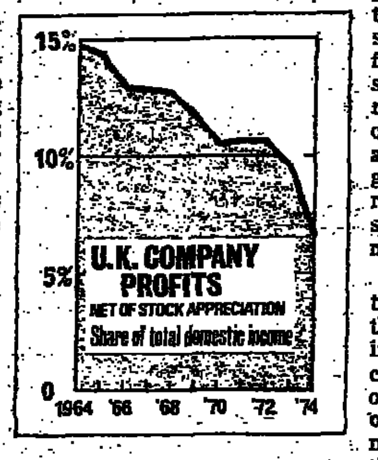
Shareholders come somewhere in the middle of this continuing debate. On the one hand, it is clearly in their interest that industry should be financially healthy, with consistent levels of real profitability, and there is no doubt that CC accounting is a major step in that direction. On the other hand, long term shareholders need to be assured that their own capital invested will be as fully protected against inflation as the real physical capital of industry.

Earnings of companies, it is proposed, will take two forms: operating gains (subject to current taxation) and holding gains (liable only to deferred taxation). The Sandilands view is that the profit relevant to shareholders is equated with operating gains, since this is the figure which, if the company's revenues and costs remain unchanged, can be indefinitely repeated. Holding gains are said to be mainly "outside the control" of the company, and are therefore of doubtful predictive value. Nevetherless it is recommended that both types of gain should be separately stated in the accounts.

One weakness of this argument is that it assumes the management of assets is unimportant compared with the management of trading operations. But some property and investment companies have been almost exclusively concerned with holding gains. The Committee uses the recent difficulties of such companies to emphasise the transience of holding gains, but it will always be part of management's responsibility to buy assets cheaply—whether property, copper or new subsidiaries.

Another problem is that operating and holding gains may be to some extent interchangeable. Consider the choice of leasing or purchasing a machine. With leasing, assuming the rental payments are fixed for several years, the "benefit" would tend to show up in operating profits. Where the asset is owned, the operating account would bear an increased depreciation charge, and the gain would be shifted to fixed asset revaluation reserve.

And the fact that physical stock has been singled out for special treatment, while other



monetary components of working capital are untouched, would create anomalies. The retail sector provides some good examples. Food retailers generally have high stocks, but no financing problems because of the availability of trade credit. Under CC accounting there would be a large transfer out of operating profits into the stock adjustment reserve; they would have low operating profits, but would pay little tax, and would tend to pile up cash.

Mail order houses, in contrast, extend substantial amounts of trade credit to customers. They would show relatively high CC operating profits, but would therefore pay correspondingly more tax, and would be likely to continue to run into cash deficits. The extreme case is that of a bank, with no physical stocks. It would show high operating gains, scarcely less than under historic cost accounting, but would not be generating holding gains on a scale which would maintain the ... of its capital.

Such distortions are ... occur with an ... system which does ... of monetary effects ... panies. It is plain th... market will have to ... ful note of both asp... company's CC pr... though operating gai... certainly give a ... guide to divide... potential in most cases.

Among the balance factors, gearing is ... from any threat that Sa... would seize upon ... monetary gains as a ... restoring shrunken co... tax revenues. Borrowing ... still increase the rate o... of shareholders' funds, as the money was inv... physical assets. But the ... tion of assets would ha... shared with the Inland ... for much of the benef... show in a swollen defe... reserve. Indeed, with a ... of around 50 per ... appears as though qu... gearing ratios wou... required if the real ... shareholders' funds wa... maintained.

This takes us on to t... term investor. He has ... the initial assumption ... industry has switched to ... cost accounting it will ... overall terms, be ... operating gains suffic... maintain real dividend le... that if profits are too ... necessary upward adjust... prices and margins ... achieved. From then a... real physical capital bei... tained, it will not be th... of the accounting system ... dividend payments are m... or improved.

Shareholders' fun...

But it is a fault of th... posed Sandilands system ... the real value of the ... holders' interest stands ... eroded by inflation for ... highly-geared companie... may be unfair to quot... Report's own fictitious ex... in which the purchasing ... of the shareholders' inter... an apparently profitable ... pany falls by 9 per cent ... years. It is not encour... however, that net worth ... provide less and less s... for share prices as the ... go by, and that the deferr... element in company b... sheets could look more ... more like a Trojan Horse.

'No milk for Oxfam' row report ordered

MR. JOHN GRANT, Under Secretary for Overseas Development, said at the week-end that he had called for an urgent report into the mix-up that had resulted in Common Market surplus skimmed milk-powder being denied to starving people until Oxfam had established that it was a "bona fide charity."

He said: "It looks like a piece of bureaucratic bungling, even for the silly season. In a famine relief situation it is imperative to cut both the cackle and the red tape to a minimum.

"If anyone seriously questioned Oxfam's position they had only to pick up a phone and ring my Ministry."

The EEC procedure which appeared to have led to the mix-up would have to be investigated.

Mr. Grant, who said that he was "absolutley appalled" about what had happened, has ordered his officials to get in touch with the Ministry of Agriculture and Oxfam to prepare the report.

Oxfam wanted to buy 10 tons of the powder from the EEC Intervention Board for famine relief in Angola, but were told that it could not have it until Oxfam was recognised as "an agency of good standing."

'Brutal bureaucracy'

Mr. Neil Kinnock, Labour MP for Bedwellty, will write to Mr. James Callaghan, Foreign Secretary, and Mr. Fred Peart, Agriculture Minister, to protest about the Common Agricultural Policy; the way Oxfam has been treated; and the role of the Overseas Development Department.

He said: "This is the kind of brutal bureaucracy that is going to earn the Wetsern world the full wrath of the starving and underdeveloped world.

"The powered milk would not be there in the first place but for the stupidity of the Common Agricultural Policy. But given that it is there, the best place for it is in empty bellies.

"I understand the EEC officials dealing with this are on holiday. It is a pity that they could not arrange for starvation to go on holiday at the same time."

News analysis, Page 25

Rich and poor countries differ on pricing code

BY MALCOLM RUTHERFORD

NEW YORK, Sept. 7.

DEVELOPED AND developing countries are still far apart on two major questions as the United Nations special session on development and international economic co-operation goes into its second and final week.

The rift is over indexation—or the principle of tying the price of Third World raw materials to that of manufactured good—and the transfer of real resources from rich to poor countries.

According to West European sources, if developing countries continue to take a hard line on either of these issues, the attempt to find an agreed agenda for international economic reform by the end of this week almost certainly will break down.

Indexation

On indexation, the position paper of the group of 77 developing countries says that the prices of their raw material exports should be tied to prices of their imports from the developed world. It demands "insulation from the adverse effects of inflation in developed countries."

There is no direct mention of indexation in either the U.S. or the European Community position papers—the two other main documents under consideration—and the West Germans have categorically denounced the whole idea.

Instead, the Community is proposing international action to stabilise export earnings by improving compensatory financing mechanisms of the International Monetary Fund and introducing special measures to help the poorest countries. The U.S. position is not dissimilar.

On the transfer of real resources, the group of 77 paper calls for the developed countries to devote a minimum of 0.7 per cent. of gross national product to official development assistance net of all reverse flows by 1978. The 1974 British figure was 0.38 per cent.

The European Community paper says only that Community members adopt an increase in aid as a "common aim" and adds the qualification "taking into account their respective economic abilities to contribute." The U.S. paper does not mention a specific target.

If the developing countries can be persuaded to drop the demand for indexation and to accept a somewhat vague commitment on official aid, there should not be undue difficulty in reaching broad agreement on the agenda for reform in other areas.

These are commodity agreements, science and technology, industrialisation, food and agriculture and restructuring of the economic and social sectors of the U.N. system to give a greater say to the Third World.

The group of 77 remains remarkably united, however. No real divisions have appeared between the oil and non-oil producing members despite the fact that, as developed countries repeatedly point out, it is the non-oil members of the Third World who have been most hurt by the rise in oil prices.

Kissinger

The main Third World leaders at the present session include India, Yugoslavia, Iran, Mexico, Venezuela and Argentina.

They have shown their seriousness by deciding not to press for the expulsion or suspension of Israel, at least during this session, but it is not certain yet how far they will go in moderating their economic demands.

They also have yet to adjust to the fact that the U.S. is making serious proposals of its own, and there are even suggestions that the U.S. has stolen the Third World's clothes by producing its own position paper based on Dr. Kissinger's proposals last week.

The U.S. has regained its claim to world leadership as a result of the Kissinger initiative, but as one European source said, does not know how to follow it up.

Leyland redundancies warning sours worker-director talks

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

THE 32-MEMBER *ad hoc* shop stewards' committee setting up the framework for worker participation in British Leyland meets the management again at Coventry to-day in an atmosphere soured by warnings of widespread redundancies among the 116,000-strong car division.

Before Tuesday's announcement by the management at the TUC conference in Blackpool, it was expected that agreement on a three-tier system of joint councils and committees would take only another day. Now at least two days are expected to be needed.

"Unions and stewards are broadly agreed on worker participation and the form it should take," a senior union official said. "But we certainly weren't bargaining for redundancy being the first item on the agenda."

While the need for redundancy was relayed by the management to the committee last week, the rest of the stewards and union officers first knew of it when they read it in the newspapers.

These events have been a blow to moderate opinion, which had been gaining ground against the militants, and has given Left-wing elements a ready weapon.

Although on a strictly proportional basis with output, it can be assumed that up to 30,000 jobs are at risk in the car division. This disregards union reaction, to say nothing of reaction on the shop floors at Austin Morris, Rover, Triumph and Jaguar, none of which can be said to take such situations lying down.

For example, Austin Morris—by far the largest slice of the car division—is still producing Marinas, Maxis, the 18/22s, Minis and Allegros from Birmingham and Oxford on a five-day basis though at around two-thirds peak production. Longbridge is contributing about 5,250 vehicles a week and Oxford 4,500.

It will not be until about the end of the month that individual plant managements will be ready to come forward with specific redundancy proposals—for staff Only if there is extreme pressure to do so will the present accepted pattern of voluntary redundancy and early retirement be abandoned.

This has resulted in the corporation "losing" more than 25,000 of its former 187,000 employees. Of these more than 5,000 production workers have left the Austin Morris division. This is proportionately rather less than one would have expected.

Secrets probe call and EDC best Forum.—Page 4

Weather

U.K. TO-DAY

CLOUDY, mostly dry in S., showers likely elsewhere.

London, S.E., S.W. and Cent. S. England, E. Anglia, E. Midlands, Channel Isles

Mostly dry. Increasing cloud. Wind mainly E., light. Max. 20C (68F).

W. Midlands, S. and N. Wales, Cent. N. England

Sunny intervals. Becoming cloudy with rain in places later. Wind mainly S.E., light. Max. 18C (64F).

E., N.E. and N.W. England, Lakes, I. of Man, Borders, Edinburgh, Dundee

Cloudy. Dry at first, outbreaks of rain later. Wind S., moderate. Max. 17C (63F).

Aberdeen, N.E., N.W. and S.W. Scotland, Glasgow, Cent. Highlands, Moray Firth, Argyll, Orkney, Shetland, N. Ireland

Cloudy at first with rain. Brighter later with sunny intervals. Wind S.W., moderate or fresh. Max. 16C (61F).

Outlook: Changeable, with showers and sunny intervals.

Lighting-up: London 20.03, Manchester 20.14, Glasgow 20.26, Belfast 20.31.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Alexandria	S	29	84	Luxembg	S	19	66
Amstrdm	C	17	63	Madrid	F	23	73
Athens	S	31	88	Manchestr	C	19	66
Bahrain	S	40	104	Melbourne	S	15	59
Barcelona	S	25	77	Milan	C	18	64
Beirut	S	30	86	Montreal	C	14	57
Belfast	C	19	66	Moscow	S	22	72
Belgrade	C	22	72	Munich	C	16	61
Berlin	R	19	66	Newcastle	R	14	57
Birmgham	F	21	70	New York	C	19	66
Bristol	S	20	68	Oslo	S	16	61
Brussels	C	19	66	Paris	S	20	68
Budapest	R	17	63	Perth	S	17	63
B. Aires	S	14	57	Prague	R	14	57
Cairo	S	32	90	Reykjavik	R	9	48
Cardiff	S	20	68	Rio de J'o	S	30	86
Cologne	F	18	64	Rome	F	26	79
Copnhagn	S	16	61	Singapore	C	24	75
Dublin	C	17	63	Stockholm	S	13	55
Edinburgh	R	13	55	Strasbourg	F	19	66
Frankfurt	S	20	68	Sydney	C	18	64
Geneva	C	17	63	Tehran	S	33	91
Glasgow	C	11	52	Tel Aviv	S	29	84
Helsinki	C	9	48	Tokyo	C	29	84
H. Kong	S	30	86	Toronto	S	15	59
Jo'burg	S	23	73	Vienna	C	17	63
Lisbon	S	22	72	Warsaw	S	20	68
London	F	21	70	Zurich	C	18	64

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	S	25	77	Jersey	C	18	64
Algiers	S	30	86	Las Palmas	C	23	73
Biarritz	F	22	72	Locarno	C	20	68
Blackpool	F	21	70	Majorca	S	28	82
Bordeaux	C	22	72	Malaga	S	26	79
Boulogne	F	19	66	Malta	S	30	86
Casablnca	S	24	75	Nairobi	S	20	68
Cape Twn	C	19	66	Naples	S	27	81
Corfu	S	29	84	Nassau	C	31	88
Dubrovnik	C	23	73	Nice	S	25	77
Faro	S	23	73	Oporto	C	18	64
Florence	R	20	68	Rhodes	C	32	90
Funchal	S	23	73	Salzburg	C	19	66
Gibraltar	S	25	77	Tangier	F	24	75
Guernsey	C	18	64	Tenerife	C	19	66
Innsbruck	C	17	63	Tunis	S	30	86
Inverness	F	12	54	Valencia	S	27	81
I. of Man	S	18	64	Venice	R	20	68
Istanbul	S	26	79				

S—Sunny; F—Fair; C—Cloudy. R—Rain

Drypool rescue continues

BY MICHAEL CASSELL

CUSTOMERS OF the Yorkshire-based Drypool shipbuilding group, which appointed a receiver at the week-end, said yesterday that they would continue their efforts to save it from closure.

The group operates three yards at Selby, Hull, and Beverley employing about 1,200 people, with another 1,000 working on sub-contract work.

The decision to call in a receiver comes after concerted efforts by the management and customers to secure its future with the help of the Government.

Mr. James Hann, chief executive of Seaforth Maritime—Drypool's largest customer—said last night that the six shipowners with contracts placed at the group's yards had failed to solve its problems "because of the Government's inability even to consider placing one or two small orders with Drypool."

The Department of Industry was asked for financial assistance when it became clear this year that the group was running into difficulties, due mainly to rising costs on fixed-price, long-term shipbuilding contracts.

When this was rejected, the group made other unsuccessful approaches for help before finally consulting its customers.

The six clients agreed to provide £1.7m. if the Government also took a hand in the rescue operation.

The Department of Industry was asked to cancel an existing £500,000 loan to the yard and arrange, through the Department of Employment, for the provision of a £10-a-week jobs subsidy for six months. The placing of some small Government orders was also called for.

The shipowners say failure of their plan means that a good "small shipbuilding" group on the east coast has to cease trading.

Continued from Page 1

NUPE accepts £6 limit

national deal and subsequent local level deals are handled within the £6 limit.

The most likely outcome is that the £4 a week second stage of the national deal will be implemented on time in November and the £2 third stage next February with the effects of these minimum rate increases offset against the £6 limit when next local negotiations fall due.

With earnings levels set through plant bargaining and national agreements covered only minimum rates and conditions, the majority of engineering workers gain little from national increases other than improved overtime and holiday pay which are linked to minimum rates.

But under this system the few who are actually on the national minimum rates are likely to benefit by more than the £6 from the national agreement and this could complicate matters further.

It seems clear that although the present national agreement expires next February no new one can be introduced before next August—under the present pay policy there must be 12 months between principal settlements—and that continued Government restrictions on pay could herald the end of two-tier bargaining in the industry.

Both the Left and Right factions in the politically split AUEW appear keen to see the pay issue referred to the union's national conference which at its annual meeting in June set the union on a course of opposition to "the social contract in its existing or any modified form."

That decision, taken against the advice of AUEW president Mr. Hugh Scanlon, was largely the result of seven delegates from the union's foundry section who, although predominantly moderates, felt bound by the anti-contract policy adopted by their sectional conference earlier in the year.

Before any such recall conference could be arranged the AUEW executive may have to decide whether or not to support its members at British Leyland's Lancashire truck and bus plants who are threatening to strike from next Monday because the Government is insisting that an agreement is trimmed to bring it within the policy.

Continued from Page 1

Benn's manifesto

case be borne by the nation over the next few years. "There is no point in asking for those sacrifices, nor much prospect of getting a response, unless they can be clearly seen to be leading towards a better and fairer society."

Also in the years of slump ahead the British would have many opportunities to judge "whether what they were told by advocates of Common Market membership is borne out by experience." The recent referendum vote, Mr. Benn warns, provided no popular mandate for the acceptance of any new supra-national EEC institutions.

Claiming that Britain's slump could not be resolved without "a fundamental and irreversible shift in the balance of wealth and power in favour of working people," the letter says that a major extension of public ownership, and real industrial democracy or workers' control offered the country its best chance of breaking the deadlock "which now has our industry in its grip."

Mr. Benn asserts the right of the party membership and the annual conference to "make policy," and jointly with the Parliamentary leadership to have that policy embodied in election manifestos. He suggests a special one-day party conference next spring to review the political and economic situation and "to ensure that the Labour movement plays its full part in developing policies to deal with it."

To-morrow the Prime Minister and his Cabinet colleagues will meet Labour's National Executive for one of their periodic joint discussions. Mr. Wilson will make a "Parliamentary report" to the meeting and there will be debates on overseas policy and economic and social policies.

The meeting is, unusually, being held at Transport House instead of 10, Downing Street, and will last only half and not a full day.

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